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ORGANIC FARM INCOMES IN ENGLAND AND WALES 2003/04

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Results from research work carried out for the Department of Environment, Food and Rural Affairs (DEFRA) by the Organic Research Group at the Institute of Rural Sciences, UWA on the economic performance of organic farms in 2003/04 are presented in this report. This report is the third from a series of four economic reports on organic farm incomes from 2001/02[1,2] through to 2004/05.

A fundamental aim of this work is to assess the financial performance of organic farms differentiated by farm type, in order to inform DEFRA policy-making with respect to economics of organic farming, and to provide a basis for assessments by farmers, advisers and other interested parties of the farm-level implications of conversion to and continued organic farming.

This research area builds on previous economics work on organic farming carried out by Institute of Rural Sciences, UWA (Project OF0190, covering 1995/96[3] to 1998/99[4]). Here, time series data are shown using an identical farm analysis technique for the 2002/03 and 2003/04 financial years covering the economic performance of seven organic farm types including cropping, horticulture, lowland and LFA dairy, lowland and LFA cattle and sheep and mixed farming systems. The identical farm samples comprise farms that are present in <u>both</u> 2002/03 and 2003/04. The total number of organic farms for 2003/04, also referred to as the full farm sample data, is shown alongside the identical datasets for 2003/04.

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

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

[1] Jackson, A.J., and Lampkin, N.H. (2005) Organic Farm Incomes in England and Wales 2002/03. Report for DEFRA contract ref. OF0189. Institute of Rural Sciences, Aberystwyth.

[2] Jackson, A.J., Fowler, S.M. and Lampkin, N.H. (2004) Organic Farm Incomes in England and Wales 2001/02. Report for DEFRA contract ref. OF0189. Institute of Rural Sciences, Aberystwyth.

[3] Fowler, S.M., Lampkin. N.H., and P Midmore. (2000) Organic Farm Incomes in England and Wales 1995/96 – 1997/98. Report for MAFF contract ref. OF0125, Welsh Institute of Rural Studies, Aberystwyth.

[4] Fowler, S.M., Wynne-Jones, I. and Lampkin. N.H. (2001) Organic Farm Incomes in England and Wales 1998/99. Welsh Institute of Rural Studies, Aberystwyth. Report for MAFF contract ref. OF0190

All the above reports can be found on the organic statistics section of the Defra website: http://statistics.defra.gov.uk/esg/index/list.asp?i_id=130 comparable conventional farm (CCF) data based on the organic farms from the identical and full farm samples.

Overall, the identical sample of organic farms showed a similar or higher level of net farm income for all farm types in 2003/04 than in 2002/03. On comparing the organic data with the comparable conventional data, the greatest differences in performance were seen in the LFA dairy and lowland cattle and sheep farm types where organic farms performed significantly better in 2003/04. LFA cattle and sheep farm types performed similarly to the comparable conventional farm samples. The full sample datasets compared similarly to the identical datasets for both organic and conventional farms in 2002/03.

Gross margin data are presented for organic dairy herds on a herd size and top five performing herd basis. Cattle and sheep gross margins are shown for lowland and LFA farm types. Crops shown include winter and spring wheat, triticale, spring barley, spring and winter oats, beans, ware potatoes, sugar beet, leeks, early potatoes, winter broccoli, cauliflower and cabbage crops. Where applicable, 2002/03 gross margin data are shown alongside the 2003/04 data.

Benchmarking data are shown for milk, suckler store, finishing beef and lamb production enterprises.

1. Introduction

This is the third of a series of four annual reports on the financial performance of organic farms covering the years 2001/02 to 2004/05 carried out for the Department for Environment, Food and Rural Affairs (DEFRA).

The aim of this research report is to show the financial performance of organic farms for 2003/04 including comparisons with similar conventional farms and 2002/03 data, differentiated by farm type, in order to:

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

This project builds on existing economics research work carried out by the Organic Research Group, Institute of Rural Sciences for MAFF (project OF0125, covering 1995/96 to 1997/98, 1998/99) with specific objectives, which include:

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

This report is divided into various sections including methodology, which shows the data sourcing and sampling techniques used to obtain a representative organic farm sample, followed by an explanation of the clustering procedure, which shows how comparable conventional farms (CCF) are selected to match the organic farms. Then, the financial results are presented with explanation of the results and brief highlights, followed by summary data for each farm type. Detailed gross margins are included for livestock and cropping enterprises. The detailed financial results can be found in Appendix 1.

2. Methods

2.1 Organic farm data sources and collection methods

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

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

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

For the primary data collection, the Farm Business Survey unit at Aberystwyth is responsible for collecting the main organic farm income data from identical farm samples for cropping, dairy, LFA and lowland cattle and sheep and mixed farm types with the aim of achieving 12 farms per robust type for whole farm and gross margin data. Farm recruitment for the survey was carried out by the Institute of Rural Sciences, Organic Research Group and Farm Business Survey Unit with the aim of identifying a sample of farms to reflect robust types throughout England and Wales. This was carried out via random selection of national producer lists from organic certification bodies to identify holdings with more than 8 European Size Units (ESU) (for definition, see Appendix 2) and having at least 70% organic land status in 2001/02.

2. DEFRA: UK Data Archive

Each year, Farm Business Survey Centres around the UK submit FBS data to DEFRA. Within the remit of this project, it has been possible to derive further organic farms that form part of the farm sample from other FBS centres in the UK with the introduction of organic indicators in 1999. This has proved a valuable method of increasing the sample number of organic farms. In 2003, farm income data from 2728 farms were submitted to DEFRA, of which 109 farms had organic or in-conversion enterprises on farm. From this total, 87 farms met the farm selection criteria; however only 77 farms have been included in this report as it was not possible to derive comparable conventional farm data for the other 10 farms. The other 22 farms were not included within the report as 6 were still in the conversion phase of their organic status and the remaining 16 had organic areas less than 70% of their total agricultural area.

3. HDRA (Henry Doubleday Research Association)

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

Table 1 Distribution of organic farms by type and source of data, 2003/04

Data source	*IRS*	*UK Data Archive*	*HDRA*	*Other*	***Total***
Farm Type	*Wholefarm & GM* data*	*Wholefarm data only*	*Wholefarm & GM data*	*Wholefarm & GM data)*	
Cropping	9 + 1 GM	9			**18+ 1 GM**
Arable / field vegetables			5		**5**
Horticulture		1	7		**8**
Pigs and poultry	3 GM + 4 GM				**3GM+ 4GM**
Dairy (lowland)	8	23			**31**
Dairy (LFA)	2	5			**7**
Cattle and sheep					
LFA	10	20			**30**
Lowland	9	12			**21**
Mixed	8	7			**15**
Total	46 + 8 GM	77	12		**135 + 8 GM**

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

2.2 Farm samples and farm classification

The total farm sample consists of 135 surveyed organic farms for 2003/04. All farms were classified by constituent EC type (1985 EC Typology described in Commission Decision 85/377/EEC) and for the purposes of this report are presented in groups by robust type according to the UK farm classification system (revised 1994)[5]. (See Appendix 2 for more information). The use of constituent EC types relies on the use of standard gross margins (SGMs) from which European Size Units (ESUs) are derived (which in turn allow classification into EC types), a typology system originally devised for conventional agricultural systems.

The number of farms within both this organic farm income survey sample and the Farm Business Survey overall are subject to change. In the Organic Farm Income 2002/03 report, data from 127 organic farms were available. Between the 2002/03 and 2003/04 survey periods, a further 10 farms dropped out of the organic survey and 17 organic farms were no longer available from the UK Data archive. Conversely, there were 41 new organic farms recorded for the 2003/04 survey by the Farm Business Survey Unit, available via the UK Data archive. Overall, 15 organic farms have been excluded from this report as it was either not possible to derive comparable conventional farm data for them for various reasons or there were not enough farms of a particular farm type.

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

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

2.3 Continuous sampling and interpretation of results

To achieve comparability in the whole farm datasets, the data samples are presented as a continuous (identical) set of farms per farm type. The identical samples show organic farm incomes for both organic and comparable conventional farms between 2002/03 and 2003/04 for comparison. The full sample is shown for 2003/04 data only. It was not possible to form identical farm samples for the arable/field vegetable and intensive horticulture farm types.

In 2003/04, 5 farms changed farm type classification. Where applicable, these farms were included in the identical farm sample that applied to their 2002/03 farm type. For the full sample, these farms were included in the farm sample according to their 2003/04 farm type.

An assessment of the distribution of farm type by region and size between the organic farm survey data and unpublished organic farming census data from DEFRA was undertaken in previous reports. The findings indicated that the organic farm sample was relatively representative on a regional and farm size basis. This exercise has not been repeated for this year with the 2003/04 organic data sample being similar to the 2002/03 data sample (see Table 2).

Table 2 Distribution of organic farms by type and size (European Size Units) for the identical and full farm samples, 2003/04

Identical sample *ESU code*	< 8	8 - < 15	15 - < 28	28 - < 40	40 - < 60	60 - < 100	100 - < 200	200 +	**Total**
Farm type									
Cereals and general cropping			1	1	3		3		**8**
Horticulture									
Pigs and poultry									
Dairy (lowland)				1	3	6	9	2	**21**
Dairy (LFA)					1	2	2		**5**
Cattle and sheep									
- LFA		7	6	1	4	1			**19**
- lowland		4	8	3					**15**
Mixed				4	2	1	1		**8**
Total	0	11	15	10	13	10	15	2	**76**
Full sample									
Farm type									
Cereals and general cropping		1	2	4	6	3	5	4	**25**
Horticulture		1			1	2	1	1	**6**
Pigs and poultry									
Dairy (lowland)				2	6	6	11	6	**31**
Dairy (LFA)				1	1	2	3		**7**
Cattle and sheep									
- LFA		7	13	3	5	2			**30**
- lowland		6	10	4	1				**21**
Mixed		1	3	5	3	2	1		**15**
Total	0	16	28	19	23	17	21	11	**135**

2.4 Farm comparisons

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

2.4.1 Background

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

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

The idea of using clusters of conventional farms for comparisons has been carried out before, using a hierarchical cluster analysis technique on the basis of Euclidean squared difference; however, the method of clustering has been changed in this study.

2.4.2 Conventional farm selection

For each organic farm recorded, the aim was to generate a cluster of at least three comparable conventional farms (CCF) from the Farm Business Survey database (DEFRA, 2003)[8]. The emphasis for selection of comparable conventional farms for this study was to focus on resource endowment identifiers/variables. The resource endowment of the holding is normally independent of the organic or conventional management, and is a reflection of the resources with which the farm manager can run the farm business.

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

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

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

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

7 Offermann, F. and Nieberg, H. (2000) Profitability of Organic Farming in Europe. Paper presented at the Agricultural Economics Society Annual Conference, Manchester.

8 Department for Environment, Food and Rural Affairs (Farm Business Division). Farm Business Survey Data, 2003/04 [Computer File]. Colchester, Essex: The Data Archive [Distributor] 10th June 2005.

Table 3 Recoding of LFA codes to simplify the clustering procedure

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

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

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

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

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

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

For all farm types, a standard procedure was undertaken to determine the comparable data selection per organic farm. However, it was not possible to achieve a reasonable number of CCF's in 22% of cases. Therefore, a hierarchical clustering approach was used, by adding farms of the same type from adjacent regions and on occasion increasing the pre-defined ranges per farm type (See Box 1 and Table 6).

Box 1 Conventional farm selection procedure

Initial selection:

Organic Farm A	All FBS farms
Type A (EU particular type) Region B (FBS Region)	Select farms of Type A in Region B

Are there sufficient farms for cluster analysis?

Yes — No

Incorporate broader farm Types

Are there sufficient farms for cluster analysis?

Yes — No

Return to particular type and include broader regions

Are there sufficient farms for cluster analysis?

Yes — No

Include more types in Region B

Are there sufficient farms for cluster analysis?

Yes — No

Include more regions

Are there sufficient farms for cluster analysis?

Yes

Other key resource characteristics (as defined in tables above)

Land area (UAA)

Proportion of rough grazing / permanent pasture

Volume of milk quota (dairy only)

Farm business size in standard gross margins *

Final cluster for Farm A

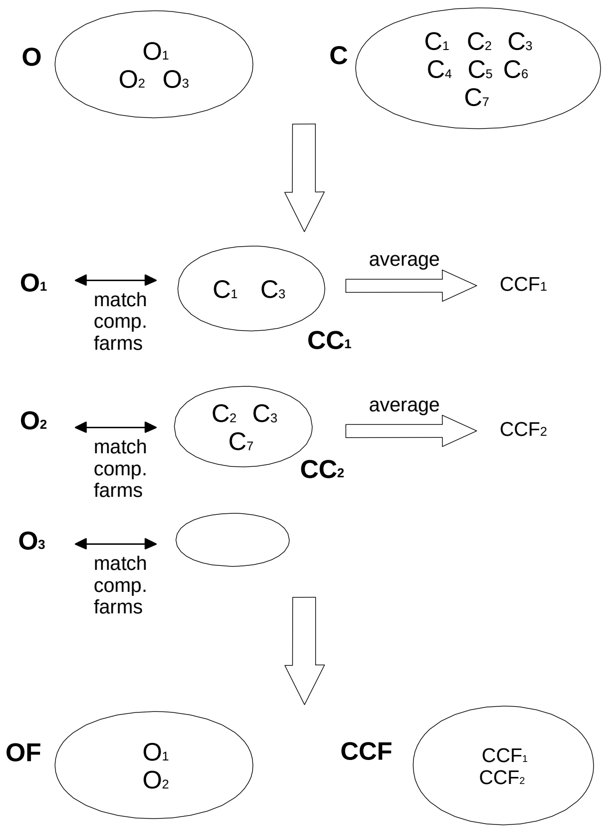
Farm business size, as measured by standard gross margins, is a measure of the potential economic activity of the particular mix and size of enterprises on the farm.

Table 6 Summary table to show the procedure used per farm type and the CCF results achieved (2003/04 farms)

	Cropping	Horticulture	Dairy (lowland)	Dairy (LFA)	Cattle and sheep Lowland	Cattle and sheep LFA	Mixed
Total organic farms	**18**	**n/a**	**31**	**7**	**21**	**30**	**15**
Baseline clustering criteria							
Utilisable agricultural area [UAA] (+/- %)	20	-	30	30	20	20	30
Quota owned (+/- %)	n/a	-	30	30	n/a	n/a	30
Permanent Pasture [PP] (+/- %)	25	-	n/a	n/a	30	30	30
Rough Grazing [RG] (+/- %)	25	-	n/a	n/a	30	30	30
Economic Size Units [ESU] (+/- %)	30	-	30	30	30	30	30
LFA status/altitude	identical	-	identical	identical	identical	identical	identical
Main type	identical	-	identical	identical	identical	identical	identical
Region	identical	-	identical	identical	identical	identical	identical
Horticulture area/output (% difference)	n/a	-	n/a	n/a	n/a	n/a	n/a
No. of farms for which baseline cluster obtained (min 3 farms)	16	-	26	5	20	17	12
(as a percent)	**90%**	-	**84%**	**71%**	**95%**	**57%**	**80%**
Modifications required to achieve clusters for remaining farms							
Regional (broader selection)	-	-	1		-	-	-
Regional and/or RG/PP and/or UAA (broader selection)	2	-	5	2	1	6	2
LFA/altitude (non-identical criteria)	-	-	-	-	-	-	1
Main type (incorporate broader farm type definition)	-	-	-	-	-	7	-
Resulting final cluster statistics							
Average number of farms in cluster per organic farm	13.6	-	6.9	5.7	8.1	6.1	7.9
% of organic farms clustered	**100**	-	**100**	**100**	**100**	**100**	**100**
No. of organic farms with more than 5 farms (CCF) per cluster	16	-	17	4	14	11	13
% of organic farms with more than 5 farms (CCF) per cluster	**90**	-	**55**	**57**	**67**	**66**	**80**
Range of CCF per organic farm per farm type: Minimum	3	-	3	3	3	3	3
Maximum	45	-	19	12	20	13	16

Once the comparable conventional farm data were identified from the main Farm Business Survey database (sample C in Box 2) and for the organic farms (sample O), the comparable conventional farm data were averaged. This effectively creates a single ('artificial') comparable conventional farm CCF_1 for each organic farm[9]. Note that farms from sample C could be used more than once. To arrive at set OF, all organic farms with no comparable data were removed from sample O, leaving set OF an average of sample O and CCF an average of sample C for which the robust type data were based for further comparative analysis in this report.

Box 2. Diagram to show the procedure to determine comparable farm data per farm type



2.4.3 Interpretation of results

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

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

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

3. Presentation of results

3.1 Whole farm data

All whole farm results for each farm type in Section 4 and the appendices are simple averages. Within summary sections on each farm type, tables show breakdowns of average outputs, inputs and incomes in £/ha; for cropping, horticulture (arable/field vegetable and intensive horticulture holdings), lowland and LFA dairy, and LFA and lowland cattle and sheep and mixed farms for identical and full samples. It should be noted that the identical samples were derived from individual organic farm data that were available for both 2002/03 and 2003/04 financial years. Comparable conventional farms for the identical samples are based on the 2002/03 cluster data only from conventional farms that appear in both years. To illustrate further, where the conventional farms from a cluster do not appear in 2003/04, these are removed from the 2002/03 cluster set to define a new cluster set per organic farm for 2002/03 and subsequently 2003/04 by default. The full sample represents the full set of organic data available for 2003/04 with newly derived comparable conventional farms based on the 2003/04 Farm Business Survey data.

This format will continue to form the basis of future reporting; therefore the full organic sample for 2003/04 will form the basis of the two year identical sample for 2003/04 and 2004/05.

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

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

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

3.2 Income measures

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

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

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

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

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

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

For further definitions of terms see Appendix 3.

4. Results highlights

This section summarises key changes in farm incomes (Table 7) for the *identical* organic and conventional farm comparisons on a per hectare basis between 2002/03 and 2003/04.

Cropping and horticulture farms

Net farm income for the organic cropping farms increased by 6% whilst increasing nearly three-fold for the conventional farm sample. Cropping inputs increased by 11% for the organic farms, but were similar from 2002/03 to 2003/04 for the conventional farms. Cropping outputs increased by 25% for the conventional farm comparison, but remained similar for the organic farms. Overall, the organic farms achieved higher net farm incomes than the conventional farms in 2003/04.

Net farm income for the organic arable/field vegetable farms decreased from 2002/03 to 2003/04 by 43%. Output decreased by one percentage point with inputs rising by 4% overall. The intensive horticulture holdings achieved a 23% higher net farm income per hectare in 2003/04. For this group, outputs increased by 16.5% and inputs by 14%. No conventional farm comparisons were available for the horticulture identical farm samples.

Dairy farms

For the identical LFA dairy farm samples, net farm income increased from 2002/03 to 2003/04 by 91% for the organic farms and by 67% for the conventional farms. Outputs increased by 9.9% for the organic farms and 5.9% for the conventional farms. Milk price increased by 4.3% for both the identical organic and conventional farms. Inputs were similar for the organic farms from 2002/03 and 2003/04, but increased for the conventional farms by 3.5%. Overall, net farm income was higher for the identical organic farm sample than the conventional farms in 2002/03 and 2003/04.

Lowland dairy net farm income increased in 2003/04 for the identical organic farms by 13% and by 32% for the conventional farms. Both the identical and full organic farm samples had higher incomes than the conventional farm sample overall for both years. Outputs were similar for the organic farms, but increased by 9% for the conventional farms. Inputs fell by 1.8% for the organic farms and increased by 6.5% for the conventional farms. Milk price fell by 2.5% for the organic farms and increased by 4% for the conventional farms.

Livestock farms

For the lowland cattle and sheep farms, net farm income increased for both the organic and conventional farm samples. Outputs increased by 10.6% for the organic farms and by 3.4% for the conventional farms. Inputs increased similarly from 2002/03 to 2003/04 by 3.6% and 2.7% on the organic and conventional farms, respectively. Overall, net farm income was much greater for the organic farms than the conventional farms in 2003/04.

Net farm incomes on the LFA cattle and sheep farms were similar for both organic and conventional farms and from 2002/03 to 2003/04. Outputs rose by 8.6% for the organic farms and by 6.8% for the conventional farms. Inputs increased similarly between samples for both years by 5.7% for the organic farms and 6.4% for the conventional farms.

Mixed farms

Net farm income was similar for the identical conventional farms than the organic farms in 2002/03, but changed in 2003/04 by 23% in favour of the organic farms. Outputs increased by approximately 10% on the organic farms and by 15.5% on the conventional farms from 2002/03 to 2003/04. Inputs increased by 2.7% for the organic farms and by 11.7% for conventional farms. Overall, net farm incomes increased in 2002/03 for both farm samples.

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

Table 7 Farm data summary, average NFI (£/farm and £/ha for 2002/03-2003/04)

	Net Farm Income excluding BLSA results for data samples							
		Identical sample					***Full sample***	
Farm type	Number of farms	2002/03		2003/04		Number of farms	2003/04	
Cropping		**£/farm**	**£/ha**	**£/farm**	**£/ha**		**£/farm**	**£/ha**
Organic	8	31053	248	32857	263	18	28526	198
Comparable conventional	87	7813	66	23374	196	245	22930	174
Arable/field vegetable								
Organic	5	46060	115	26372	65	8	18980	56
Comparable conventional	-	-	-	-	-	-	-	-
Horticulture								
Organic	7	19006	1118	22546	1377	8	29386	2001
Comparable conventional	-	-	-	-	-	-	-	-
LFA dairy								
Organic	5	8318	100	15914	191	7	13099	152
Comparable conventional	25	3736	49	6143	82	40	12947	164
Lowland dairy								
Organic	21	23644	235	28550	266	31	29739	249
Comparable conventional	185	14176	155	18952	205	215	18773	169
Lowland cattle and sheep								
Organic	16	5343	72	8812	119	21	9778	123
Comparable conventional	139	2085	29	2510	35	170	4734	61
LFA cattle and sheep								
Organic	19	11906	91	14297	111	30	16183	130
Comparable conventional	127	12096	103	12794	112	181	15918	132
Mixed								
Organic	7	14963	110	29007	205	15	18181	169
Comparable conventional	61	14596	116	20860	167	118	9945	90

4.1 Cropping farms

For detailed results see Appendix 1, Table A1, page 48.

In total, eight organic cropping farms have been used for the two-year comparison of identical farms where one farm was located in Northern England, four in the West, and three in Central and Eastern England. For the identical sample, three out of the eight farms were growing some field scale vegetables, amounting to approximately 12% of their land area combined in 2002/03. This increased to 21% for four of the farms in the full sample in 2003/04. In total, 18 organic cropping farms were available for 2003/04 financial year.

In both the identical and full sample of farms, the average UAA and business size were similar. Cropping plus set-aside areas were fairly similar between samples, although this area was 11% greater for the conventional farms than the organic farms. Also, livestock numbers were higher for the organic farm sample by approximately 50% with twice the number of cattle and sheep on organic farms compared to the conventional farm comparisons. Annual labour units were lower for the organic farms than the conventional farms in the identical sample by 7% and 17% in 2002/03 and 2003/04, respectively.

Table 8 Summary data for cropping farms (£/ha), 2002/03 and 2003/04

	Identical sample				*Full sample*	
Financial Year Data	2002/03		2003/04		2003/04	
	Org	**Conv.**	**Org**	**Conv.**	**Org**	**Conv.**
Sample number	8	87	8	87	18	245
Average farm size (UAA)	125.0	118.6	125.0	119.6	144.4	132.1
Business Size (ESU)	57.1	60.1	71.7	75.5	89.7	91.3
	£/ha	**£/ha**	**£/ha**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	163	108	165	114	276	76
Livestock subsidies	49	47	45	50	38	30
Cropping outputs	355	413	348	514	359	667
AAPS / Set-aside	149	158	170	173	162	189
Miscellaneous	73	87	104	99	96	116
Agri-env. payments	50	13	48	18	76	13
TOTAL OUTPUTS	**839**	**825**	**880**	**968**	**1006**	**1091**
Livestock inputs	40	58	44	63	171	43
Crop inputs	77	188	86	187	83	243
Labour	49	81	59	83	96	144
Machinery	195	195	194	189	206	213
General	67	70	65	78	68	90
Land & rent	163	167	169	172	184	183
TOTAL INPUTS	**591**	**759**	**617**	**772**	**808**	**917**
NFI	248	66	263	196	198	174
Less farmer/spouse labour	94	110	79	114	76	96
Add paid management	0	0	0	0	5	1
Add BLSA	0	3	7	4	5	3
MII	**155**	**-41**	**191**	**86**	**131**	**81**
ONI	229	85	246	218	215	194
Cash Income	265	190	374	266	322	297

Total outputs increased for both identical organic and conventional farms from 2002/03 to 2003/04 by 5% to £880 per hectare and 17% to £968 per hectare, respectively. Total outputs were similar for the organic and conventional farms in 2002/03, but were 10% greater for the conventional farms than the organic farms in 2003/04. Overall, the organic farm sample achieved higher outputs for both livestock and environmental payments compared to the conventional farms, whilst other outputs were similar or lower for the other categories. The proportion of cropping outputs was approximately 60% of total outputs for the organic farms and 70% for the conventional farms. Although cropping and set-aside areas were fairly similar in size between samples, the organic farms had a 25% lower cropping area with 50% more land managed under set-aside agreements than the conventional farm sample.

Price and yield data indicate that wheat yields decreased from 2002/03 to 2003/04 by some 30% although the wheat price increased by nearly 40% for the organic farms to £178/t. Barley growing areas increased slightly; again, yields fell slightly between 2002/03 and 2003/04 but prices also rose from £62/t to £137/t. Cropping output for the organic farms remained at similar levels between the two financial years. For the conventional farm sample, cropping output increased by nearly 25% from £413 per hectare in 2002/03 to £514 per hectare in 2003/04 due to improved prices for most crop types coupled with similar or better yields.

Livestock outputs represented 25% in 2002/03 and 18% in 2003/04 of total outputs for both organic and the conventional farms.

Environmental payments represented approximately 6% of total output at £48 per hectare for the organic farms with less than 2% (£18/ha) of total output derived from environmental payments for the conventional farms.

The input costs for cropping increased for the organic sample by 11% in 2003/04 even though overall cropping area reduced by 13.5%. Fixed cost inputs remained similar from 2002/03 to 2003/04 for the organic sample. The level of input costs for the conventional farms was similar from 2002/03 to 2003/04. Livestock costs for both farm samples remained similar between the financial years. Cropping inputs were more than double for the conventional farms than for the organic farms. Overall, total inputs increased by 4.6% to £617 per hectare for the organic farms and increased by 1.7% for the conventional farms to £772 per hectare in 2003/04.

Net farm income (NFI) increased from 2002/03 to 2003/04 for the identical organic farms by 6% to £263 per hectare whilst increasing in 2002/03 by nearly three fold for the conventional farms to £196 per hectare. Overall, NFI was nearly four times greater for the organic farms than for the conventional farms in 2002/03 and in 2003/04 the organic farms had a greater NFI than the conventional farms by 34%. Management and investment income for the two samples were only negative for the conventional sample in 2002/03. The returns to total labour units used for the identical samples in 2003/04 were £26,896 for the organic farms and £18,491 for the conventional farms, a difference of 33% between samples.

4.2 Horticulture

For detailed results see Appendix 1, Table A2a, A2b and A2c, page 56.

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

Arable/field vegetable farms

An identical data sample is shown for the arable/field vegetable farms for 2002/03 to 2003/04 where four farms were located in Central and Eastern England and the remaining farm located in the West of England. Area utilisation changed significantly between 2002/03 and 2003/04 with an average increase in wheat area by 36% to 106.4 hectares, significant reductions in barley and peas/beans grown and more than a three-fold increase in field vegetable production to 84.3 hectares.

Table 9 Summary data for arable/field vegetable farms (£/farm and £/ha), 2002/03 and 2003/04

	Identical sample				*Full sample*	
Financial Year Data	2002/03		2003/04		2003/04	
	Org.		**Org.**		**Org.**	**Conv.***
Sample number	5		5		8	10
Average farm size (UAA)	401.0		407.4		340.9	326.4
Business Size (ESU)	253.9		499.2		425.2	457.8
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	16811	42	22919	56	45	22
Livestock subsidies	2002	5	2741	7	5	9
Cropping outputs	465149	1160	507771	1246	1238	833
AAPS / Set-aside	82472	206	52660	129	104	172
Miscellaneous	47153	118	21645	53	179	132
Agri-env. payments	19048	48	28852	71	64	5
TOTAL OUTPUTS	**632635**	**1578**	**636588**	**1562**	**1634**	**1175**
Livestock inputs	10683	27	15145	37	40	25
Crop inputs	119353	298	130059	319	304	266
Labour	203256	507	198249	487	521	157
Machinery	133144	332	118037	290	319	278
General	47388	118	47308	116	150	78
Land & rent	72750	181	101418	249	246	176
TOTAL INPUTS	**586575**	**1463**	**610217**	**1498**	**1579**	**981**
NFI	46060	115	26372	65	56	193
Less farmer/spouse labour	11543	29	9963	24	31	27
Add paid management	12190	30	11909	29	22	2
Add BLSA	0	0	351	1	1	0
MII	**46707**	**116**	**28668**	**70**	**47**	**168**
ONI	54428	136	53967	132	46	201
Cash Income	69244	173	84440	207	304	320

* Conventional farm sample extracted from FBS database archive on the basis of +/- 20% of the average organic farm size and with a proportion of their land use in fieldscale vegetable production.

Set-aside area decreased by 39% and the area managed in grassland increased by 50%. These changes significantly affected business size. The results for this sample are affected by two large farms within the sample among three smaller farms with less than 100 hectares. Despite increases in horticultural activity from 2002/03 to 2003/04, the labour units utilised remained at similar levels to the previous year.

Livestock outputs remained similar between years, only representing some 2.5% of output. Meanwhile, cropping output increased by 7.5% with cropping subsidy payments falling by 37%, a reflection of decreasing the area allocated to set-aside on the farms. Output derived from agri-environmental payments increased by 48% from £48 to £71 per hectare, representing 4.5% of output in 2003/04. Overall, total output decreased marginally for this group from 2002/03 to 2003/04 by one percentage point.

Inputs increased for livestock, cropping and land and rent costs. Labour and machinery inputs decreased for this financial period. The net effect was an increase in total input costs by 4% from £1463 to £1498 per hectare.

Net farm income decreased from 2002/03 to 2003/04 by 43% to £65 per hectare for the identical organic farm group. Return on tenant's capital was 36.8% in 2002/03 reducing to 14.4% in 2003/04. The return on total labour units remained similar at £14,278 in 2003/04.

For this identical farm sample, there were no conventional cluster farm data available; however, a sample of farms from the FBS database was put together based on the average area of the full sample and the relationship between field scale vegetable growing. Overall, the conventional farm comparison derived 16% of their output from horticulture from 48 hectares of horticultural crops grown. More specifically, the conventional farms specialised in growing green peas for processing, carrots, parsley, sweetcorn and other/mixed vegetables. The organic farms grew a full range of crops including beans (various), beetroot, brussels sprouts, cabbage, calabrese, carrots, cauliflower, celeriac, courgettes, leeks, onions, parsnips, peas and potatoes deriving 38% of their output from horticultural crops on 56 hectares.

For the comparison, average farm size is similar between the organic and conventional farms. There were key differences in the types of crops grown on the conventional and organic farms. Moreover, the area allocated to cropping represented 83% of total area on the conventional farms but only 59% on the organic farms. Set-aside and fallow areas represented 15% on the conventional farms and 30% on the organic farms. Labour units were higher on the organic farms by 1.5 times.

Total outputs were 40% higher on the organic farms compared to the conventional group in 2003/04. Accordingly, inputs were lower for the conventional farms than for the organic farms by 12.5% for cropping, 69% for labour and 12.8% for machinery inputs. Overall, the conventional farm inputs were some 38% lower than for the organic farms. Net farm income was nearly 3.5 times greater for the conventional farms at £168 per hectare than the organic farms. Accordingly, return on tenant's capital was 17.3% for the conventional farms and 7% for the organic farms. Return on labour units were £19,027 for the organic farms and £27,753 for the conventional farms in 2003/04.

Intensive horticulture holdings

For this group, the identical farms were derived from seven farms. Two were located in the West, four in Central and Eastern and one in Northern England. From 2002/03 to 2003/04, the farms grew approximately six hectares of horticultural crops with the remaining areas in grass or fallowed. A small number of livestock were kept on the farms. Labour units increased from 1.4 to 2.9 from 2002/03 to 2003/04.

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

	Identical sample				*Full sample*	
Financial Year Data	2002/03		2003/04		2003/04	
	Org		**Org**		**Org**	
Sample number	7		7		8	
Average farm size (UAA)	17.0		16.4		14.7	
Business Size (ESU)	34.7		45.8		137.9	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Livestock outputs	1564	92	406	25	355	24
Livestock subsidies	1096	64	1065	65	932	63
Cropping outputs	57355	3375	65551	4003	96953	6601
AAPS / Set-aside	0	0	0	0	0	0
Miscellaneous	5638	332	5895	360	5414	369
Agri-env. payments	1142	67	2064	126	1806	123
TOTAL OUTPUTS	**66795**	**3931**	**74981**	**4579**	**105460**	**7180**
Livestock inputs	2292	135	1967	120	1721	117
Crop inputs	13387	788	14398	879	20853	1420
Labour	12128	714	14056	858	22901	1559
Machinery	9131	537	10562	645	15585	1061
General	6094	359	7241	442	9728	662
Land & rent	4757	280	4211	257	5286	360
TOTAL INPUTS	**47790**	**2812**	**52436**	**3202**	**76074**	**5180**
NFI	19006	1118	22546	1377	29386	2001
Less farmer/spouse labour	16640	979	17135	1046	15095	1028
Add paid management	0	0	0	0	0	0
Add BLSA	0	0	1	0	1	0
MII	**2365**	**139**	**5411**	**330**	**14292**	**973**
ONI	17560	1033	21924	1339	28869	1966
Cash Income	24764	1457	36412	2224	48456	3299

In 2003/04, cropping output increased by 18.6% to £4,003 per hectare. Overall, total outputs increased by 16.5% to £4,579 per hectare. Inputs increased nearly 14% in 2003/04 to £3,202 per hectare with increases in most input categories, particularly cropping, labour and machinery inputs. From 2002/03 to 2003/04, net farm income increased by 23% to £1,377 per hectare. Return on tenant's capital was 15.1% in 2003/04 compared with 7% in 2002/03. The return on labour units utilised was £12,249 in 2003/04 less than in 2002/03 due to more labour units utilised.

The addition of another farm in the full sample data indicates higher returns compared to the identical sample. A comparison with the horticulture data from 2002/03 report is not possible due to large differences in the samples between years.

4.3 LFA dairy farms

For detailed results see Appendix 1, Table A3, page 68.

In total, five organic farms have been used for the LFA dairy identical farm analysis between 2002/03 and 2003/04. Geographically, one farm was in Northern England with the remaining four in Wales. The full sample of LFA organic dairy farms amounted to seven farms.

The average farm size and dairy cow numbers in the organic sample were approximately 10% and 17% higher, respectively, than for the conventional farms. However, the greater area of bare land and forage hired in by the conventional farm sample narrows the difference in agricultural area. Business size was similar for both identical and full farm samples in 2002/03, although there is greater variation in 2003/04. Annual labour units utilised were similar, whilst the organic stocking rate was equivalent to 94% of the conventional farms at 1.5 LSU per effective hectare.

Table 11 Summary data for LFA dairy farms (£/ha), 2002/03 and 2003/04

	Identical sample				*Full sample*	
Financial Year Data	2002/03		2003/04		2003/04	
	Org	**Conv.**	**Org**	**Conv.**	**Org**	**Conv.**
Sample number	5	25	5	25	7	40
Average farm size (UAA)	83.2	75.6	83.2	75.0	85.9	78.9
Business Size (ESU)	63.4	62.4	80.5	74.2	79.8	77.9
	£/ha	**£/ha**	**£/ha**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	824	903	892	974	971	1064
Livestock subsidies	42	56	39	59	54	87
Cropping outputs	-25	18	25	9	20	14
AAPS / Set-aside	8	6	0	7	0	5
Miscellaneous	58	87	82	82	80	106
Agri-env. payments	61	12	28	13	33	8
TOTAL OUTPUTS	**969**	**1081**	**1065**	**1145**	**1159**	**1284**
Livestock inputs	257	352	239	373	305	413
Crop inputs	29	87	17	82	18	80
Labour	56	106	93	120	138	122
Machinery	188	229	212	211	223	213
General	89	100	98	98	99	102
Land & rent	250	159	216	186	224	190
TOTAL INPUTS	**869**	**1032**	**874**	**1069**	**1006**	**1120**
NFI	100	49	191	82	152	164
Less farmer/spouse labour	185	215	190	222	194	196
Add paid management	0	0	0	0	0	0
Add BLSA	-12	9	6	22	7	26
MII	**-97**	**-157**	**8**	**-118**	**-35**	**-7**
ONI	113	0	233	58	204	163
Cash Income	351	160	706	253	631	336

Livestock output increased from 2002/03 to 2003/04 for the identical organic farm sample by 8%. The yield and price data indicate that milk yield for the organic farms remained similar during these periods at 4,400 litres/cow and milk price increased by 4.3% to 19.4 pence per litre. Likewise, livestock output increased for the conventional farms by 8% with milk price increasing by 4.3% and milk yield increasing by 3.6% to 16.9 pence per litre and 5,356 litres per cow. Total outputs increased for the organic farms from 2002/03 to 2003/04 by 9.9% and increased by 5.9% for the conventional farms.

Inputs differed for most categories with livestock inputs decreasing for the organic farms by 7% to £239 per hectare, but increasing for the conventional farms by 6% to £373 per hectare. For the organic farms, the proportion of inputs attributed to livestock was approximately 28% whilst 34% for the conventional farms. Machinery and general costs remained at similar levels, whilst land and rental inputs decreased for the organic farms and again increased for the conventional sample. Overall, total input costs remained at similar levels from 2002/03 (£869/ha) to 2003/04 (£874/ha) for the organic farms, but increased by 3.5% for the conventional farms to £1,069 per hectare.

Net farm income (NFI) for the identical organic and conventional farm samples increased from 2002/03 to 2003/04 by 91% to £191 per hectare and 67% to £82 per hectare, respectively. The organic farms achieved higher NFI values by 130% for the identical farm comparison; however this difference was reversed for the full sample with a lower NFI for the organic farms than the conventional farms by 8% at £152 per hectare although NFI was more or less identical on a £/farm basis. In 2002/03, three of the organic farms had higher NFI values than their conventional cluster datasets and in 2003/04, this applied to four of the organic farms. Management and investment income showed negative values for all datasets with the exception of the organic farms in the identical sample for 2003/04.

As a result, the return on tenant’s capital figures were all negative with the exception of the 2003/04 organic data for the identical farm sample at 0.5%. Returns to total labour units used for the identical samples were £8,317 for the organic farms and £4,627 for the conventional farms based on net farm income and labour calculations in 2003/04.

4.4 Lowland dairy farms

For detailed results see Appendix 1, Table A4, page 76.

In total, 21 organic farms have been used for the lowland dairy identical farm analysis between 2002/03 and 2003/04. Geographically, two farms were in Northern England, six in Wales, nine in the South West region and four from Central and Eastern England. The full sample of lowland organic dairy farms amounted to 31 farms.

The average UAA and dairy cow numbers in the organic sample were approximately 7% higher than for the conventional farms. However, the greater area of bare land and forage hired in by the conventional farm sample narrows the difference in agricultural area. Business size was similar for both identical and full farm samples. Annual labour units utilised were similar, whilst the organic stocking rate was equivalent to 88% of the conventional farms at 1.6 LSU per effective hectare. The increase in business size for both the organic and conventional identical samples were due to adjustments in the standard gross margins to calculate business size rather than significant increases in cow numbers or arable area, which would effectively increase business size.

Table 12 Summary data for lowland dairy farms (£/ha), 2002/03 and 2003/04

	Identical sample				*Full sample*	
Financial Year Data	2002/03		2003/04		2003/04	
	Org	**Conv.**	**Org**	**Conv.**	**Org**	**Conv.**
Sample number	21	185	21	185	31	215
Average farm size (UAA)	100.6	91.5	107.2	92.4	119.3	110.9
Business Size (ESU)	94.9	91.5	123.5	113.8	131.3	127.7
	£/ha	**£/ha**	**£/ha**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	1316	1272	1330	1358	1207	1207
Livestock subsidies	12	36	14	34	15	30
Cropping outputs	64	97	75	138	103	174
AAPS / Set-aside	54	42	60	50	80	69
Miscellaneous	50	97	63	105	76	106
Agri-env. payments	82	4	42	4	54	5
TOTAL OUTPUTS	**1577**	**1548**	**1584**	**1689**	**1534**	**1591**
Livestock inputs	457	461	421	493	395	436
Crop inputs	41	118	26	148	47	152
Labour	218	192	220	194	215	210
Machinery	267	277	259	279	254	256
General	117	123	130	130	120	124
Land & rent	243	223	262	239	254	243
TOTAL INPUTS	**1342**	**1393**	**1317**	**1484**	**1285**	**1422**
NFI	235	155	266	205	249	169
Less farmer/spouse labour	163	204	161	207	146	164
Add paid management	0	0	0	0	0	1
Add BLSA	6	10	8	13	9	13
MII	**78**	**-39**	**114**	**11**	**113**	**21**
ONI	241	150	280	218	257	194
Cash Income	342	352	429	400	387	358

Livestock output remained similar from 2002/03 to 2003/04 for the identical organic farm sample, although output from milk production increased by 3% to £1,330 per hectare. The yield and price data indicate that organic milk yield increased during this period by 6.5% to 5,710 litres per cow and price fell by 2.5% to 20.7 pence per litre. Likewise, livestock output increased for the conventional farms by 6.7% to £1,358 per cow with both milk price and milk yield increasing by just over 4% to 17.7 pence per litre and 6,187 litres per cow. Total outputs remained similar for the organic farms from 2002/03 (£1,577/ha) to 2003/04 (£1,584/ha), whilst increased by 9% for the conventional farms to £1,689 per hectare.

Between identical samples, the conventional cropping output was greater than the organic farm sample, which is mostly due to a proportionately greater area of crops grown. Set-aside and arable area aid payments for the organic and conventional samples in both years were similar whilst the organic farm sample received higher agri-environmental payments on a hectare basis than the conventional farms.

Inputs were similar for most categories with the exception of livestock inputs which increased from 2002/03 to 2003/04 for the conventional farms, whilst remaining similar for the organic farms. In particular, the increase in livestock inputs was associated with an increase in feed inputs by 8.1% to £344 per hectare for the conventional farm sample with no significant changes in stocking numbers. Feed inputs and stock numbers remained similar from 2002/03 to 2003/04 for the organic farm sample.

Net farm income (NFI) for the identical organic and conventional farm samples increased from 2002/03 to 2003/04 by 13% to £266 per hectare and 32% to £205 per hectare, respectively. In both 2002/03 and 2003/04, 11 of the organic farms had higher NFI values than their conventional cluster data. In 2003/04, NFI values were 30% higher for the organic farms compared to the conventional comparison. Management and investment income showed similar trends for this farm type.

Overall, the identical organic farm sample as a whole maintained a return on tenant's capital at 5.7% for 2002/03, increasing to 8.4% for 2003/04. For the conventional farms, this value was negative for 2002/03 moving to 0.7% for 2003/04. The full sample of farms for 2003/04 indicated a similar relationship as the identical farms, although NFI was lower for the conventional farms in the full sample compared to the identical sample. In total, 18 of the 31 organic farms from the full sample had a greater NFI than the conventional farm comparisons. The return on tenant's capital was 8.8% for the organic full sample whilst the conventional farms returned 1.1% for this financial period. Returns to total labour units used for the identical samples were £17,902 for the organic farms and £11,528 for the conventional farms based on net farm income and labour calculations in 2003/04.

The full sample data from 2002/03 indicate that NFI values for organic lowland dairy farms decreased by 12% in 2003/04 from £283 per hectare to £249 per hectare. The NFI for the conventional farms did not alter from 2002/03 to 2003/04 for the full sample data comparison.

4.5 Lowland cattle and sheep farms

For detailed results see Appendix 1, Table A5, page 84.

In total, 16 organic farms have been used for the lowland cattle and sheep identical farm analysis. Geographically, eight farms were in Wales, seven in the South West region and one from Central and Eastern England. From the 2003/04 dataset, there were 21 organic lowland cattle and sheep farms in the full sample.

The average farm size was similar for the farm samples with business size nearly 20% greater for the conventional farms than the organic farms. Other differences included 21% more livestock on the conventional farms than the organic farms stocking at 1.3 LSU per effective hectare compared to 1.1 LSU per effective hectare on the organic farms. Cattle represented 76% of the stock carried on the organic farms, whilst 67% of stock on the conventional farms on a livestock unit basis. Sheep mostly made up the remainder of stock carried for both farm samples although the conventional farms on average carried approximately 50% more breeding ewes than the organic farms. Annual labour units were similar for both organic and conventional farms.

Table 13 Summary data for lowland cattle and sheep farms (£/ha), 2002/03 and 2003/04

	Identical sample				*Full sample*	
Financial Year Data	2002/03		2003/04		2003/04	
	Org	**Conv.**	**Org**	**Conv.**	**Org**	**Conv.**
Sample number	16	139	16	139	21	170
Average farm size (UAA)	74.1	71.0	73.9	71.0	79.2	77.5
Business Size (ESU)	24.0	28.8	22.7	27.4	23.0	27.1
	£/ha	**£/ha**	**£/ha**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	293	429	308	437	314	414
Livestock subsidies	155	175	164	188	158	185
Cropping outputs	40	60	62	59	46	43
AAPS / Set-aside	22	17	19	22	18	13
Miscellaneous	64	95	83	93	80	152
Agri-env. payments	76	10	82	16	109	16
TOTAL OUTPUTS	**649**	**787**	**718**	**814**	**725**	**822**
Livestock inputs	100	172	105	176	110	163
Crop inputs	30	59	18	57	15	48
Labour	51	102	63	102	61	112
Machinery	156	164	161	166	154	169
General	81	86	80	95	81	87
Land & rent	158	175	171	182	181	182
TOTAL INPUTS	**577**	**758**	**598**	**779**	**601**	**761**
NFI	72	29	119	35	123	61
Less farmer/spouse labour	218	193	220	201	190	185
Add paid management	0	0	0	0	0	0
Add BLSA	6	13	16	24	16	21
MII	**-140**	**-151**	**-84**	**-141**	**-50**	**-103**
ONI	105	78	145	86	131	108
Cash Income	241	228	319	231	290	216

In 2003/04, total output was higher for the identical conventional farms than for the organic farm sample because of higher livestock output and subsidies received. From 2002/03 to 2003/04, both the organic and conventional farms show increased total outputs by 10.6% to £718 per hectare and 3.4% to £814 per hectare, respectively. Again, livestock outputs and also livestock subsidies increased from 2002/03 to 2003/04 for both samples. The livestock price data indicate that greater values were received for cattle and sheep from 2002/03 and 2003/04. The organic finished stock received higher values than the conventional finished stock, whilst higher values were received for the conventional younger stock/stores (1-2 yrs) than the organic stores (see Appendix 1, Table A5.4, page 89-90).

Other output differences included higher cropping outputs from the conventional farms in 2002/03, although similar in 2003/04 for the organic and conventional samples. However, cropping contributed only a small part to total output with only 4-6 hectares utilised for this purpose. Agri-environmental payments represented some 11% of total output in 2002/03 and 2003/04 for the organic farms (£82/ha), compared with an average output of less than 2% from this category for the conventional farms at £16 per hectare on average.

In general, inputs remained at similar levels between the organic and conventional farm samples for both years for all input categories. Overall, inputs rose by 3.6% to £598 per hectare on the organic farms from 2002/03 to 2003/04 and by 2.7% to £779 per hectare for the conventional farm sample.

The identical organic farm sample indicated a higher net farm income (NFI) in comparison to the conventional farms, and a 65.2% increase in NFI from 2002/03 to 2003/04 to £119 per hectare. This upward trend was similar for the conventional farms from 2002/03 to 2003/04; although the average NFI value was some 3.5 times lower than the organic farms and the increase in NFI from 2002/03 to 2003/04 was lower at 20% (£35/ha). Management and investment income values for all the data samples are negative. In 2002/03, eight of the organic farms had higher NFI values than their comparable datasets and in 2003/04, this applied to 11 of the organic farms. In terms of returns on tenant’s capital, the outcome for this farm type for both samples in both years indicates negative or no returns. In 2003/04, the returns to total labour units were £6,033 on the organic farms and £3,048 for the conventional farms based on net farm income and labour calculations.

By observing the full sample data from 2002/03 and comparing with the full sample data for 2003/04, the income data indicate that NFI fell by 8.1% from £133 per hectare to £123 per hectare for the organic farms and increased by 38.6% to £61 per hectare for the conventional comparison data. Yet, the organic farms maintained a NFI double that of the conventional NFI data. Therefore, the identical farm sample data indicate that the financial performance of both the organic and conventional farms improved from 2002/03 to 2003/04 for this dataset and the organic farms improved more so than the conventional farms. However, the full sample data indicate that the organic farms maintained similar NFI values from 2002/03 to 2003/04 and that the conventional farm financial performance did improve between years but only to half the NFI value of the organic farms.

4.6 LFA cattle and sheep farms

For detailed results see Appendix 1, Table A6, page 92.

In total, 19 organic farms have been used for the LFA cattle and sheep identical farm analysis. Seventeen of these farms were located in Wales with the remaining two farms located in Northern England.

On comparing the two identical samples, average UAA was greater for the organic farms by 12% than the conventional farms and business size was 30% greater on the conventional farms than the organic farms as a result of the clustering output for 2003/04. Key system differences include lower stocking levels for the organic farm sample at 0.7 LSUs per hectare compared to 1.0-1.1 LSUs per hectare for the conventional farms. The lower stocking rate for the organic farm sample translates into lower stock numbers carried per farm. For the organic sample, 36% less stock are carried with the proportion of cattle and sheep managed at 50:50 compared to the conventional farms where the proportion of cattle and sheep is 40:60. The estimated labour useage was 1.5 labour units per year for the organic farms and 1.6 labour units for the conventional farms.

Table 14 Summary data for LFA cattle and sheep farms (£/ha), 2002/03 and 2003/04

	Identical sample				*Full sample*	
Financial Year Data	2002/03		2003/04		2003/04	
	Org	**Conv.**	**Org**	**Conv.**	**Org**	**Conv.**
Sample number	19	127	19	127	30	181
Average farm size (UAA)	131.2	117.1	128.6	114.6	124.9	120.4
Business Size (ESU)	28.2	33.2	26.2	34.0	27.5	33.3
	£/ha	**£/ha**	**£/ha**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	217	292	244	311	257	314
Livestock subsidies	131	171	145	184	151	178
Cropping outputs	10	5	4	0	5	7
AAPS / Set-aside	3	1	3	1	2	1
Miscellaneous	51	75	64	78	78	83
Agri-env. payments	84	24	80	34	89	37
TOTAL OUTPUTS	**497**	**569**	**540**	**608**	**581**	**619**
Livestock inputs	107	132	115	138	115	142
Crop inputs	15	31	15	35	14	35
Labour	38	45	34	44	54	51
Machinery	101	104	106	110	111	106
General	44	47	50	48	54	48
Land & rent	101	106	108	119	104	106
TOTAL INPUTS	**406**	**466**	**429**	**496**	**452**	**487**
NFI	91	103	111	112	130	132
Less farmer/spouse labour	105	118	109	126	115	124
Add paid management	0	0	0	0	1	0
Add BLSA	2	3	16	29	19	27
MII	**-13**	**-12**	**18**	**14**	**34**	**35**
ONI	118	131	137	147	147	154
Cash Income	177	223	245	233	248	248

From 2002/03 to 2003/04, total output for the identical farm samples increased by 8.6% to £540 per hectare for the organic farms and by 6.8% to £608 per hectare for the conventional farms. Increases in livestock outputs and livestock subsidies from 2002/03 to 2003/04 were the main factors with similar output levels for other output categories. The livestock price data indicate that prices rose for most ruminant stock categories in 2003/04. Overall, organic stock made higher values than the conventional livestock for both years in general; however, store cattle prices were higher for the conventional stock in 2002/03 than the organic stores for these farms (see Appendix 1, Table A6.4, page 98-99).

Livestock subsidies increased for all samples. This is expected with slight increases in all livestock subsidy rates for cattle and sheep from 2002/03 to 2003/04.

The organic farms received higher agri-environmental payments than the conventional farms. Agri-environmental payments represented 16.9% (£84/ha) and 14.8% (£80/ha) of total output for the organic farms from 2002/03 to 2003/04, respectively. The reduction in percentage terms is due to lower payments received from the Organic Farming Scheme; however, greater output was generated from other environmental scheme revenues in 2003/04. Conversely, agri-environmental payments represented between 4.2% (£24/ha) and 5.6% (£34/ha) of total output from the conventional farms.

Cropping represented a very small part of land utilisation by the LFA cattle and sheep farm type. Where crops were grown, yields were generally higher in 2003/04, although fairly similar between the organic and conventional farm samples. Overall, organic crops were valued higher than conventional crops.

Input categories were also similar with no substantial changes in 2003/04 for the organic and conventional farms. Livestock inputs were lower for the organic farms compared to the conventional farms by approximately 20% at £115 per hectare. Fixed cost type inputs were similar for the organic and conventional samples in 2002/03 and 2003/04. In total, inputs rose by 5.7% to £429 per hectare for the organic farms and 6.4% to £496 per hectare for the conventional farms.

Overall, net farm income (NFI) increased for the conventional farm sample in 2003/04 by 21.9% to £112 per hectare and by 8.7% to £111 per hectare for the organic farm sample. The identical organic sample shows a slightly improved NFI on a £ per farm basis in 2003/04. The slightly higher NFI per hectare value for the conventional farms is also shown for the full sample of conventional farms in 2003/04. Management and investment incomes are negative for the identical farm samples in 2002/03 and positive for 2003/04 for the identical and full datasets. In 2002/03, 11 of the organic farms had higher NFI values than their conventional datasets and in 2003/04, this applied to nine of the organic farms. In terms of returns on tenant's capital, neither the organic nor the conventional farm samples were able to make a positive return in 2002/03, whilst in 2003/04 returns were 2.7% and 1.7% for the organic and conventional farms, respectively. Returns to total labour units used for the identical samples were £10,365 for the organic farms and £8,730 for the conventional farms based on net farm income and labour calculations.

A comparison between the 2002/03 and the 2003/04 full sample datasets indicate that NFI improved by 47.7% to £130 per hectare and by 36% to £132 per hectare for the organic and conventional farms, respectively, from 2002/03 to 2003/04.

4.7 Mixed farms

For detailed results see Appendix 1, Table A7, page 100.

In total, there were seven organic farms in the identical mixed farm analysis. All farms were classified as cropping, cattle and sheep farm types. Two farms were located in Wales, three in Central and Eastern England and the remaining farms were in South West England. The full sample comprises 15 cropping, cattle and sheep farms.

The average UAA for the organic farms was 8% less than the conventional farms and business size was 24% larger on the conventional farms. Business size increased in 2003/04 due to adjustments in standard gross margins values. Other differences included a higher cropping/set-aside area on the conventional farms by 30%. The organic farms had a greater area allocated to grassland, although on average, effective forage area was only 10% higher as the conventional farms hired in additional land for forage purposes. The organic stocking rates were 80% of the conventional farms with cattle representing 63% of the organic livestock compared to 55% for the conventional farms. Sheep in general made up the remaining livestock carried although there were pig enterprises within the conventional farm sample. Labour useage was similar on the farms at 2.3 labour units per farm.

Table 15 Summary data for mixed farms (£/ha), 2002/03 and 2003/04

	Identical sample				*Full sample*	
Financial Year Data	2002/03		2003/04		2003/04	
	Org	**Conv.**	**Org**	**Conv.**	**Org**	**Conv.**
Sample number	7	61	7	61	15	118
Average farm size (UAA)	136.5	125.4	141.5	124.8	107.3	110.3
Business Size (ESU)	49.1	61.0	57.0	70.9	42.5	50.7
	£/ha	**£/ha**	**£/ha**	**£/ha**	**£/ha**	**£/ha**
Livestock outputs	272	392	326	400	335	313
Livestock subsidies	133	129	146	149	130	140
Cropping outputs	164	265	178	334	171	217
AAPS / Set-aside	84	107	97	114	92	90
Miscellaneous	33	86	46	132	100	87
Agri-env. payments	100	6	70	9	71	12
TOTAL OUTPUTS	**786**	**985**	**864**	**1138**	**900**	**859**
Livestock inputs	99	204	83	241	92	157
Crop inputs	62	119	58	131	50	100
Labour	113	112	118	131	126	90
Machinery	180	196	171	212	183	182
General	74	74	80	81	92	77
Land & rent	148	164	148	176	188	162
TOTAL INPUTS	**677**	**869**	**659**	**971**	**731**	**769**
NFI	110	116	205	167	169	90
Less farmer/spouse labour	98	124	96	130	137	159
Add paid management	0	0	0	0	0	0
Add BLSA	6	9	18	9	16	18
MII	**18**	**1**	**126**	**47**	**49**	**-51**
ONI	118	103	213	154	199	113
Cash Income	260	193	321	318	299	218

From the results, livestock and livestock subsidy output represented approximately 50% of total output with cropping-associated outputs representing between 30% and 40%. Output generated from agri-environmental payments differed more markedly between samples with the organic farms deriving 12.7% (£100/ha) and 8.1% (£70/ha) of output from this revenue source in 2002/03 and 2003/04, respectively. On the conventional farms, agri-environmental payments represented less than 1% of total output in 2003/04 at £9 per hectare.

Livestock outputs increased markedly on the organic farms in 2003/04 by 21% to £326 per hectare whilst increasing by only 2% on the conventional farms to £400 per hectare. For cattle, the price data indicate that the organic finished cattle values were higher than conventional stock whilst conventional store cattle of all age groups and beef heifers in calf had greater values on average than the equivalent organic stock in 2002/03. In 2003/04, the organic finished cattle value was 11% lower than the previous year at £633/head, although 17.5% higher than conventional finished cattle. For sheep, organic finished lamb values were higher than conventional stock at £57/head and organic ewes were valued at £36/head, some £5 lower than conventional ewes from the comparison farms. Output derived from organic sheep was double that of the conventional output generated from the conventional sheep flocks, expected due to a proportionately larger sheep flock. Meanwhile, organic cattle herds contained more beef cows with youngstock numbers proportionate to a finishing beef herd while conventional farms had more youngstock and less cows, albeit cattle outputs from both sets of farms were similar.

Cropping output increased on the organic farms from 2002/03 to 2003/04 by 8% to £178 per hectare whilst increasing by 26% for the conventional farms to £334 per hectare. Cropping output from the organic farm sample was on average 42% lower than the conventional farms and land utilised for arable cropping on the organic farms was the equivalent of 71% of the conventional cropping area. In 2003/04, the price and yield data for wheat showed that organic crops yielded 46% less than conventional crops and achieved a similar 72% premium for the crop above conventional prices at £150/tonne. Again, the organic price data indicate an increase in crop values for wheat and barley by 20% in 2003/04 whilst conventional values increased by some 30% for this farm type category in 2003/04.

Inputs associated with crop and livestock production are similar from 2002/03 to 2003/04 for the organic farms, although input costs for the conventional farms increased. The main differences in input costs between farm samples include lower livestock costs for the organic farms than for the conventional farms by 51% in 2002/03 and by 65% in 2003/04 and higher cropping costs for the conventional farms by 92% in 2002/03 and 125% in 2003/04 than for the organic farms. In total, inputs increased by 2.7% on the organic farms to £659 per hectare and by 11.7% for the conventional farms to £971 per hectare.

Overall, net farm income was marginally higher for the organic farms in 2002/03 than for the conventional farms. In 2003/04, the organic farms had a higher net farm income than the conventional farm sample by 23% at £205 per hectare. The management and investment incomes for both identical and full farm samples were positive in both years with the exception of the full sample for the conventional farms. The return on tenant's capital was 12.3% and 4.7% for the organic and conventional farms, respectively. Returns to total labour used were £15,020 for the organic farms and £12,821 for the conventional farms in 2003/04 based on net farm income and labour calculations.

A comparison between the full datasets in 2002/03 and 2003/04 indicates that NFI increased by 30% for the organic farms to £169 per hectare. Meanwhile, the conventional farm comparison dataset indicates a fall in NFI by 20% to £90 per hectare.

5. Gross margins

Tables 16 to 21 show gross margin results for specific livestock and crop enterprises from the organic study farms for 2003/04 alongside the 2002/03 data. Gross margin figures are for certified organic enterprises, but may include some livestock/crops sold at conventional prices. All gross margin data have been calculated by simple averages.

Altogether, 150 different crop enterprise gross margins were collected, but few crops had sufficient samples to validate results i.e. a minimum of five enterprises. Therefore, gross margins are presented for 15 crops for the 2003/04 harvest year. Crop outputs include revenue and imputed values for farmhouse consumption, feed used on farm and a closing valuation for any unsold crop. Where available, gross margin data from 2002/03 have been included for comparison purposes. It should be noted that the data are **not** from identical farms and that **not** all farms were eligible for arable area payments.

Table 16 Organic dairy gross margins (£/cow), 2003/04

Herd Size	**41-80**	**>81**	**Top 5***	**All herds**	**All herds 2002/03**
Number of herds	5	5	5	10	12
Average farm area - actual ha	91.0	152.9	101.2	112.4	138.6
-effective ha	86.3	144.6	94.0	105.9	130.6
Average size of the farm business (ESU)	81.4	187.1	97.2	125.1	125.0
Average size of herd (dairy cows)	64	152	88	104	102
Average milk yield (litres per cow)	5994	5322	5855	5699	5656
Implied milk price (ppl)	21.85	20.35	22.27	21.05	21.55
Enterprise output (£ per cow)					
Milk disposals (1)	1310	1083	1304	1200	1219
Calves - sales and transfers out	61	64	61	63	62
Bulls & cows - sales and transfers out	2	0	2	1	1
Net milk quota	22	-52	32	-11	-5
Valuation change	19	53	16	31	28
Less: purchases & transfers in	116	176	99	131	137
Total enterprise output	1297	972	1316	1153	1169
Variable Costs (£ per cow)					
Concentrates	292	142	268	229	244
Purchased bulk feed	15	9	6	10	6
Stock keep	0	0	0	0	0
Veterinary & medicines	23	32	19	26	26
Other livestock costs - dairy	102	92	92	93	105
Total variable costs	432	275	385	359	380
Margin over concentrates	1002	931	1029	961	969
Gross margin before forage costs	865	697	931	794	788
Gross margin including forage costs	784	657	869	742	711
Forage variable costs (£ per farm)					
Seeds	785	1488	778	962	1313
Fertilisers	526	234	508	421	2598
Sprays	0	0	0	2	2
Other forage costs	7291	7107	7188	6615	7688
Total forage variable costs	8603	8829	8473	8000	11600
% of forage variable costs to dairy	61	69	64	68	68
Forage varable costs per cow	81	40	62	52	77

(1) Including milk to calves and farmhouse

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

Table 17 Lowland farms, organic cattle gross margins (£/cow), 2003/04

Herd Size	<35	>35	All herds	All herds 2002/03
Number of herds	7	8	15	18
Average farm area - actual ha	102.6	91.6	96.7	86.2
-effective ha	95.6	87.9	91.5	81.4
Average size of the farm business (ESU)	37.1	26.4	31.4	24.2
Average size of herd (breeding cows)	24	43	34	31
Enterprise output (£ per cow)				
Calf Sales	32	0	15	18
Other store cattle - sales & transfers out	88	114	102	151
Bulls & cows - sales & transfers out	43	26	34	29
Finished cattle sales	312	368	342	370
Net SCP quota leased	-22	-30	-26	-20
Cattle subsidies - SCP	128	194	163	191
Cattle subsidies - BSP	105	93	99	90
Cattle subsidies - other	26	35	31	24
Valuation change	124	55	87	-17
Less: purchases & transfers in	95	76	85	93
Total enterprise output	741	778	761	746
Variable Costs (£ per cow)				
Concentrates	36	58	48	76
Purchased bulk feed	3	20	12	13
Stock keep	0	0	0	0
Veterinary & medicines	23	22	23	23
Other livestock costs - beef	78	52	64	72
Total variable costs	139	152	146	185
Gross margin before forage costs	602	626	615	561
Gross margin including forage costs	506	545	530	451
Forage variable costs (£ per farm)				
Seeds	506	346	421	527
Fertilisers	391	316	351	823
Sprays	0	0	0	18
Other forage costs	2441	3220	2857	2604
Total forage variable costs	3339	3882	3629	3972
% of forage variable costs to beef	68	89	79	85
Forage varable costs per cow	96	80	85	110

Table 18 LFA farms, organic cattle gross margins (£/cow), 2003/04

Herd Size	<20	>20	All herds	All herds 2002/03
Number of herds	5	5	10	11
Average farm area - actual ha	141.7	161.6	151.7	149.6
-effective ha	136.4	118.7	127.5	126.7
Average size of the farm business (ESU)	16.0	47.3	31.6	25.8
Average size of herd (breeding cows)	16	43	30	27
Enterprise output (£ per cow)				
Calf Sales	65	1	33	30
Other store cattle - sales & transfers out	140	230	185	148
Bulls & cows - sales & transfers out	35	33	34	43
Finished cattle sales	284	300	292	247
Net SCP quota leased	-10	-10	-10	-28
Cattle subsidies - SCP	134	165	150	148
Cattle subsidies - BSP	70	86	78	78
Cattle subsidies - other	16	18	17	17
Valuation change	1	50	26	75
Less: purchases & transfers in	131	125	128	161
Total enterprise output	605	750	678	597
Variable Costs (£ per cow)				
Concentrates	162	121	142	134
Purchased bulk feed	0	20	10	8
Stock keep	35	0	18	2
Veterinary & medicines	41	20	30	42
Other livestock costs - beef	94	80	87	77
Total variable costs	332	241	287	263
Gross margin before forage costs	273	508	391	335
Gross margin including forage costs	185	446	323	262
Forage variable costs (£ per farm)				
Seeds	272	794	533	179
Fertilisers	941	1958	1450	1320
Sprays	36	0	18	0
Other forage costs	1884	1465	1675	2542
Total forage variable costs	3133	4217	3675	4041
% of forage variable costs to beef	46	63	55	48
Forage varable costs per cow	89	62	68	73

Table 19 Lowland farms, organic breeding sheep gross margins (£/ewe), 2003/04

Flock Size	<200	>200	All flocks	All flocks 2002/03
Number of flocks	7	5	12	15
Average farm area - actual ha	78.9	150.7	108.8	110.6
-effective ha	74.6	141.6	102.5	104.0
Average size of the farm business (ESU)	23.6	50.4	34.7	39.1
Average size of flock (breeding ewes)	100	293	180	183
Lambs reared per ewe	1.43	1.34	1.37	1.36
Finished lambs sold per ewe	1.13	0.88	0.96	1.22
Enterprise output (£ per ewe)				
Lamb sales - store	0.2	4.9	2.1	3.7
- finished	59.8	45.3	53.8	57.4
Ewe and ram sales	4.7	1.8	3.5	8.1
Other sheep sales	0.0	1.9	0.8	1.1
Wool sales	1.3	1.4	1.3	1.3
Net SAP quota leased	0.0	-0.2	-0.1	0.0
Sheep subsidies - SAP	10.1	15.2	12.3	13.3
Sheep subsidies - other	0.0	0.0	0.0	0.0
Valuation change	4.1	10.7	6.9	-4.4
Less: sheep purchases	3.2	1.5	2.5	6.1
Total enterprise output	77.0	79.6	78.1	74.3
Variable Costs (£ per ewe)				
Concentrates	7.8	8.0	7.9	9.0
Purchased bulk feed	0.0	0.0	0.0	0.2
Stock keep	0.4	0.0	0.3	0.0
Veterinary & medicines	3.0	3.5	3.2	3.4
Other livestock costs - sheep	5.6	5.3	5.4	6.8
Total variable costs	16.8	16.7	16.8	19.4
Gross margin before forage costs	60.2	62.9	61.3	54.9
Gross margin including forage costs	52.9	52.2	52.9	46.0
Forage variable costs (£ per farm)				
Seeds	134	2141	970	901
Fertilisers	451	1106	724	771
Sprays	67	0	39	33
Other forage costs	2099	2652	2330	2540
Total forage variable costs	2751	5899	4063	4246
% of forage variable costs to lamb	26	53	38	38
Forage varable costs per ewe	7.3	10.7	8.5	8.9

Table 20 LFA farms, organic breeding sheep gross margins (£/ewe), 2003/04

Flock Size	**<300**	**>300**	**All flocks**	**All flocks 2002/03**
Number of flocks	5	5	10	11
Average farm area - actual ha	70.5	220.0	145.3	143.7
-effective ha	67.2	175.2	121.2	120.9
Average size of the farm business (ESU)	12.5	44.0	28.3	22.1
Average size of flock (breeding ewes)	175	537	356	401
Lambs reared per ewe	1.04	1.09	1.08	0.95
Finished lambs sold per ewe	0.89	0.82	0.84	0.73
Enterprise output (£ per ewe)				
Lamb sales - store	1.0	0.7	0.8	1.0
- finished	45.2	34.0	39.6	34.7
Ewe and ram sales	2.4	3.8	3.1	3.2
Other sheep sales	0.0	0.2	0.1	0.4
Wool sales	0.9	1.1	1.0	0.9
Net SAP quota leased	-0.2	0.0	-0.1	-0.1
Sheep subsidies - SAP	18.6	19.3	18.9	19.4
Sheep subsidies - other	0.4	0.0	0.2	0.2
Valuation change	-1.3	-0.3	-0.8	-2.3
Less: sheep purchases	2.6	2.9	2.8	2.9
Total enterprise output	64.5	56.0	60.2	54.6
Variable Costs (£ per ewe)				
Concentrates	9.6	7.8	8.7	6.4
Purchased bulk feed	0.0	0.1	0.0	0.4
Stock keep	0.7	6.2	3.5	0.7
Veterinary & medicines	3.0	1.5	2.2	2.5
Other livestock costs - sheep	6.4	3.7	5.0	4.7
Total variable costs	19.7	19.3	19.5	14.6
Gross margin before forage costs	44.8	36.6	40.7	40.0
Gross margin including forage costs	37.6	32.8	36.1	34.6
Forage variable costs (£ per farm)				
Seeds	254	440	347	224
Fertilisers	210	2236	1223	1079
Sprays	36	0	18	0
Other forage costs	1925	848	1386	2307
Total forage variable costs	2424	3523	2974	3611
% of forage variable costs to lamb	52	59	55	61
Forage varable costs per ewe	7.2	3.9	4.6	5.5

Table 21 Gross margins for organic arable and horticultural crops (£/ha), 2002/03 and 2003/04

	Winter Wheat		Spring wheat		Triticale		Spring barley		Winter oats	
	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04
Number of enterprises	14	17	8	8	8	9	13	10	8	6
Area of crop grown (ha.)	52	54	16	16	12	8	13	18	9	7
Total production (tonnes)	249	261	55	57	39	28	25	70	58	31
Yield tonnes per hectare	4.8	4.9	3.4	3.5	3.2	3.3	1.9	4.0	6.6	4.4
Crop Value (£ per tonne)	128	154	130	181	133	142	125	120	93	139
Enterprise output (£ per ha)										
Closing valuation	82	86	105	84	71	92	125	202	52	123
Revenue	457	606	216	508	159	299	37	84	373	398
Farm house consumption, benefits in kind	12	20	30	35	24	38	7	13	113	60
Feed used on farm	65	36	94	7	171	45	67	180	72	29
Area payments and other subsidies	226	264	212	174	218	250	198	241	511	199
Total enterprise output	841	1012	658	808	642	724	433	721	1122	809
Variable Costs (£ per ha)										
Seeds	45	55	91	90	43	65	43	38	36	47
Fertilisers	6	1	0	17	1	7	3	4	56	0
Crop protection	0	0	0	3	0	0	3	0	0	0
Other crop costs	38	36	35	61	10	62	27	53	94	17
Casual labour	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total variable costs	89	92	125	171	54	133	78	95	186	64
Gross margin (£ per ha)	752	921	532	637	588	591	356	625	935	745

Table 21 (cont.)

	Spring oats		Beans - stock feed		Ware potatoes		Sugar beet		Leeks	
	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04*
Number of enterprises	13	8	12	14	5	7	5	5	5	5
Area of crop grown (ha.)	14	17	23	20	13	7	12	15	3.0	3.3
Total production (tonnes)	55	83	52	60	129	162	168	205	57	63
Yield tonnes per hectare	3.9	4.8	2.2	3.1	25.8	23.2	33.5	41.0	11.4	15.6
Crop Value (£ per tonne)	125	104	151	147	199	214	52	47	765	1050
Enterprise output (£ per ha)										
Closing valuation	253	215	19	188	121	40	0	0	0	0
Revenue	152	83	254	92	5003	4925	1736	1939	8734	15146
Farm house consumption, benefits in kind	8	18	0	3	0	0	0	0	0	0
Feed used on farm	80	181	66	167	0	0	0	0	0	0
Area payments and other subsidies	184	243	264	272	0	0	0	0	0	0
Total enterprise output	677	740	603	722	5124	4965	1736	1939	8734	15146
Variable Costs (£ per ha)										
Seeds	57	48	33	59	996	568	246	113	2906	2299
Fertilisers	5	0	3	4	103	98	4	138	97	102
Crop protection	5	0	0	2	167	181	27	1	84	60
Other crop costs	15	26	25	18	610	676	569	437	1587	1239
Casual labour	n/a	n/a	n/a	n/a	806	453	34	140	3334	3860
Total variable costs	81	74	60	84	2682	1975	880	829	8008	7560
Gross margin (£ per ha)	595	666	543	639	2442	2991	856	1110	726	7586

* Source: HDRA

Table 21 (cont.)

	Potatoes - Early		**Winter broc./cauli**		**Cauliflowers**		**Cabbages**		**Calabrese***	
	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04
Number of enterprises	-	5	-	7	-	5	-	5	-	5
Area of crop grown (ha.)	-	1.3	-	14.8	-	15.8	-	2.7	-	17.0
Total production (tonnes/units)	-	65	-	39	-	86038	-	106830	-	93
Yield tonnes/units per hectare	-	13.0	-	5.6	-	17208	-	21366	-	5
Crop Value (£ per tonne/unit)	-	424	-	816	-	0.30	-	0.24	-	1167
Enterprise output (£ per ha)										
Closing valuation	-	0	-	0	-	0	-	0	-	0
Revenue	-	5510	-	4592	-	5168	-	5131	-	5747
Farm house consumption, benefits in kind	-	0	-	0	-	0	-	0	-	0
Feed used on farm	-	0	-	0	-	0	-	0	-	0
Area payments and other subsidies	-	0	-	0	-	0	-	0	-	0
Total enterprise output	-	5510	-	4592	-	5168	-	5131	-	5747
Variable Costs (£ per ha)										
Seeds	-	1065	-	481	-	668	-	657	-	661
Fertilisers	-	84	-	60	-	59	-	43	-	172
Crop protection	-	2	-	296	-	395	-	551	-	303
Other crop costs	-	584	-	814	-	343	-	2321	-	1187
Casual labour	-	48	-	750	-	1075	-	1337	-	943
Total variable costs	-	1783	-	2401	-	2541	-	4908	-	3267
Gross margin (£ per ha)	-	3727	-	2191	-	2627	-	223	-	2481

* Source: HDRA

6. Benchmarking

Tables 22 to 25 show costs of production data for organic milk, beef and lamb production. The 2003/04 average and top 5 (low cost) results are shown alongside data for 2002/03. It should be noted that the data are not from identical samples for the beef and lamb data and are derived from the organic farm data collected by the Aberystwyth-based Farm Business Survey Unit for this research work to acquire the correct level of detail for the represented years.

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

6.1 Dairy enterprise data

For the dairy enterprise, the costs of production results are taken from 10 dairy farms comprising eight lowland and two LFA farm types in 2003/04. The 2002/03 data are derived from the same farms. To highlight a few key features, there was a reduction in total costs from 2002/03 to 2003/04 by 1.09 pence per litre and a further reduction in the organic milk price received by 1.27 pence per litre to 20.84 pence. Consequently, this had a negative impact on the margin of production, which reduced by 0.14 pence per litre from 2002/03 to 2003/04.

The main physical differences between the top 5 (low cost) and average groups for 2003/04 included smaller farm size and herd size for the top 5 group as well as lower average milk yields per cow. The margin of production difference was 1.79 pence per litre higher for the top 5 (low cost) group compared to the average, with the top 5 (low cost) group receiving 0.17 pence a litre more in outputs and producing at 1.56 pence per litre less in total production costs due to lower variable and fixed costs, particularly feed and labour costs.

The margin of production figures exclude the unpaid labour costs required to operate the enterprise, associated with the farmer/spouse and other unpaid farm members. When including these costs for the 2003/04 data, the average group maintained a positive margin of production of 4.54 pence per litre, as did the top 5 (low cost) group at 6.55 pence per litre.

Table 22 Milk: benchmarking data

	2003/04		2002/03
Sample size	10	Top 5	10
Herd size - numbers	103.9	100.5	98.6
Herd size - LU	103.9	100.5	98.6
Total Grazing LU	158.5	162.3	150.5
Litres of milk produced per cow	5661	5111	5472
Percentage Dairy LU to Total GLU	65.6	61.9	65.5
Farm size - effective hectares	105.9	115.5	100.7
Farm size - ESU	125.1	111.1	91.2
% of area used for forage/grazing	92.8	98.1	94.4
OUTPUTS	ppl	ppl	ppl
Dairy - milk	20.84	21.17	22.11
- livestock purchases, sales and transfers	0.00	-0.20	-0.19
- net milk quota	-0.13	-0.49	-0.05
- slaughter premium	0.19	0.20	0.13
- valuation change	0.59	0.69	0.44
Dairy output	**21.49**	**21.38**	**22.44**
OTHER RELATED OUTPUTS			
LFA and agri-environmental payments	0.28	0.43	0.67
Miscellaneous revenue	0.38	0.59	0.35
By-products and forage	0.39	0.38	0.31
Other output	**1.05**	**1.39**	**1.33**
TOTAL OUTPUTS	**22.54**	**22.77**	**23.77**
Margin of production - pence per litre	**7.08**	**8.87**	**7.22**
(excluding unpaid labour costs)			

	2003/04		2002/03
	10	Top 5	10
COSTS	ppl	ppl	ppl
Concentrates	3.74	3.27	3.67
Purchased bulk feed (hay & straw)	0.18	0.08	0.10
Stock keep	0.00	0.00	0.00
Veterinary and medicines	0.45	0.34	0.48
Other livestock costs - dairy	1.65	1.42	1.83
Herd replacement	0.62	0.78	1.05
Total variable costs	**6.64**	**5.90**	**7.14**
Seeds	0.10	0.11	0.16
Fertilisers	0.07	0.08	0.28
Sprays	0.00	0.00	0.00
Other forage costs	0.76	0.81	0.80
Total forage costs	**0.92**	**1.01**	**1.25**
Paid labour	1.05	0.56	1.19
Casual labour	0.31	0.14	0.17
Machinery - contract work	0.05	0.04	0.11
- repairs	0.93	0.72	0.77
- fuels	0.37	0.32	0.39
-depreciation	1.01	0.88	1.11
Buildings depreciation	0.50	0.90	0.35
General farm costs	0.67	0.55	0.74
Water	0.12	0.12	0.15
Electricity	0.24	0.21	0.24
Land expenses	0.81	0.78	1.02
Insurance	0.28	0.25	0.39
Rent	0.92	1.06	0.78
Interest payments	0.65	0.45	0.74
Total fixed costs	**7.90**	**7.00**	**8.16**
TOTAL COSTS	**15.46**	**13.90**	**16.55**
Unpaid labour	0.18	0.00	0.06
Unpaid farmer and spouse labour	2.36	2.32	2.60

6.2 Beef enterprise data

The beef production data are taken from 27 farms in 2003/04 and 20 farms in 2002/03. Average cost of production data are shown for **both** suckler store and finishing beef herd enterprises. The suckler store beef enterprises contain two LFA and six farms from lowland areas, whilst the finishing beef enterprise data are derived from six LFA farms and 13 lowland farms. The 2002/03 average cost of production data are derived from three LFA and four farms from lowland areas for the suckler store beef enterprises, whilst the finishing beef enterprise data are derived from five LFA farms and eight lowland farms. Again, it should be noted that the top 5 group represents the lowest cost of production enterprises from the 2003/04 data.

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

The margin of production figures exclude the labour costs required to operate the enterprise at farm level. When included, the calculated costs of production figures for unpaid labour indicate that both the top 5 (low cost) and average group would have a <u>negative</u> margin of 41.2 and 15.8 p/kg liveweight, respectively.

For the finishing beef enterprises recorded, there is greater variation between the physical characteristics of the top 5 (low cost) and average group. The top 5 group had seven beef cows more than the average and produced more beef overall and on a per cow basis. Financial outputs were lower for the top 5 (low cost) than the average dataset, and the average group achieved higher p/kg liveweight overall compared to the top 5 (low cost) group. Other related outputs were slightly lower for the average group on a p/kg liveweight basis. The lower costs associated with the top 5 (low cost) group were mainly applicable to feed, vet and medicine, other livestock costs, and forage costs by some margin, as well as overhead costs by some 21%. This equated to lower costs for the top 5 (low cost) group of 30% compared to the average and a 38% improvement on the margin of production overall.

The margin of production figures exclude the labour costs required to operate the enterprise at farm level. When unpaid labour is included, the calculated costs of production figures for beef finishing herds indicate that the average group would have a positive margin of production of 2.6 pence per kilogram, compared with 33.5 pence per kilogram for the top 5 (low cost) group.

On comparing the suckler store and beef finishing herds, the farm size is 20% greater for the suckler store herds in addition to 20% lower cow numbers for the suckler herds compared with the finishing beef herd data. Beef output and cost figures are greater for the finishing beef herds than the suckler herds and the margin of production is greater for the finishing herds. The finishing herds produced more kilograms of beef, therefore signalling a greater margin per farm compared to the suckler herds. The difference in kilograms produced between herd types does have an impact on unpaid labour costs, which are higher for the suckler store enterprises than the beef finishing enterprises. As a result, as there are fewer kilograms of beef produced to spread the cost of the unpaid labour element.

Table 23 Beef: benchmarking data for suckler store herds

	2003/04		2002/03
Sample size	8	Top 5	7
Herd size - numbers	25.8	26.6	23.4
Herd size - LU	33.6	34.5	35.7
Total Grazing LU	55.3	58.4	67.0
Percentage Beef LU to Total GLU	60.8	59.0	53.3
Kilograms beef produced	8815	9087	7273
Average beef produced per cow	342.3	341.6	310.4
Farm size - effective hectares	121.0	132.0	117.2
Farm size - ESU	37.5	18.1	27.1
Forage area % from total UAA	83.3	96.4	85.2
OUTPUTS	p/kg LW	p/kg LW	p/kg LW
Beef - output	106.67	117.10	101.84
- subsidies	67.27	65.08	92.02
- valuation change	6.97	-3.88	14.37
Beef output	**180.91**	**178.31**	**208.23**
OTHER RELATED OUTPUTS			
LFA and agri-environmental payments	75.63	98.44	75.53
Miscellaneous revenue	17.47	0.36	10.39
By-products and forage	25.45	11.55	15.12
Other output	**118.55**	**110.36**	**101.03**
TOTAL OUTPUTS	**299.46**	**288.66**	**309.27**
Margin of production - pence per kilogram	**55.53**	**91.23**	**36.75**
(excluding unpaid labour costs)			

	2003/04		2002/03
	8	Top 5	7
COSTS	p/kg LW	p/kg LW	p/kg LW
Concentrates	16.00	15.35	26.95
Purchased bulk feed (hay & straw)	5.00	8.00	3.25
Stock keep	5.49	8.79	0.00
Veterinary and medicines	7.40	9.11	3.82
Other livestock costs - beef	19.07	16.12	24.00
Net SCP quota leased	8.76	11.11	3.58
Herd replacement	0.61	1.97	9.17
Total variable costs	**62.33**	**70.45**	**70.77**
Seeds	7.80	0.96	5.39
Fertilisers	4.91	5.20	19.83
Sprays	0.00	0.00	0.28
Other forage costs	12.66	5.57	13.98
Total forage costs	**25.38**	**11.73**	**39.48**
Paid labour	6.39	0.00	9.57
Casual labour	2.91	2.53	1.24
Machinery - contract work	10.26	10.37	2.72
- repairs	21.68	14.50	19.20
- fuels	11.89	11.78	12.06
-depreciation	21.67	18.67	21.80
Buildings depreciation	8.09	7.17	6.72
General farm costs	22.00	19.52	23.66
Water	2.45	1.84	2.03
Electricity	3.01	3.01	1.73
Land expenses	10.25	7.44	10.84
Insurance	9.42	7.33	11.70
Rent	13.83	6.59	17.50
Interest payments	12.38	4.51	21.50
Total fixed costs	**156.23**	**115.26**	**162.27**
TOTAL COSTS	**243.93**	**197.44**	**272.51**
Unpaid labour	15.37	12.22	2.72
Unpaid farmer and spouse labour	81.31	94.79	87.87

Table 24 Beef: benchmarking data for beef finishing herds

	2003/04		2002/03
Sample size	19	Top 5	13
Herd size - numbers	33.8	40.6	41.2
Herd size - LU	58.0	67.0	68.3
Total Grazing LU	77.4	77.3	85.0
Percentage Beef LU to Total GLU	74.9	86.7	80.4
Kilograms beef produced	14322	19750	16240
Average kilograms of beef produced per cow	423.9	486.5	393.9
Farm size - effective hectares	101.0	83.1	110.8
Farm size - ESU	31.4	24.3	33.1
Forage area % from total UAA	85.6	92.4	84.0
OUTPUTS	p/kg LW	p/kg LW	p/kg LW
Beef - output	120.26	93.22	131.69
- subsidies	73.85	60.47	74.91
- valuation change	6.43	16.93	5.62
Beef output	**200.54**	**170.62**	**212.22**
OTHER RELATED OUTPUTS			
LFA and agri-environmental payments	38.40	49.50	41.89
Miscellaneous revenue	13.21	4.65	7.53
By-products and forage	10.03	10.68	16.81
Other output	**61.64**	**64.84**	**66.23**
TOTAL OUTPUTS	**262.19**	**235.45**	**278.45**
Margin of production - pence per kilogram	**76.71**	**105.70**	**29.10**
(excluding unpaid labour costs)			

	2003/04		2002/03
	19	Top 5	13
COSTS	p/kg LW	p/kg LW	p/kg LW
Concentrates	20.82	7.34	27.81
Purchased bulk feed (hay & straw)	1.62	0.16	3.05
Stock keep	0.35	0.00	0.37
Veterinary and medicines	5.79	2.50	7.47
Other livestock costs - beef	19.22	8.37	20.60
Net SCP quota leased	3.09	3.73	5.29
Herd replacement	3.52	7.28	6.55
Total variable costs	**54.41**	**29.37**	**71.13**
Seeds	3.13	1.25	3.47
Fertilisers	3.27	1.76	5.73
Sprays	0.09	0.00	0.03
Other forage costs	12.89	10.17	20.14
Total forage costs	**19.38**	**13.18**	**29.37**
Paid labour	1.65	0.00	1.75
Casual labour	3.24	2.69	2.10
Machinery - contract work	3.76	3.36	12.24
- repairs	9.89	9.43	13.07
- fuels	9.03	10.64	9.96
-depreciation	17.05	12.95	25.05
Buildings depreciation	5.45	8.46	2.22
General farm costs	14.54	11.23	23.67
Water	1.84	1.38	1.11
Electricity	2.24	1.12	2.48
Land expenses	8.29	10.60	9.24
Insurance	9.51	6.42	11.27
Rent	14.27	5.84	22.20
Interest payments	10.93	3.07	12.49
Total fixed costs	**111.70**	**87.20**	**148.85**
TOTAL COSTS	**185.48**	**129.75**	**249.35**
Unpaid labour	8.88	9.98	27.64
Unpaid farmer and spouse labour	65.22	62.20	57.44

6.3 Lamb enterprise data

The cost of production data for lamb production are taken from 23 farms in 2003/04 and 16 farms in 2002/03. Data are shown for breeding ewe enterprises that sell store/finished stock and are derived from 13 LFA and 10 lowland farm types in 2003/04, whilst the 2002/03 data contain 10 lowland and six LFA farms. Again, it should be noted that the data are not based on identical samples for the two financial years and that the top 5 group represents the lowest cost of production enterprises from the 2003/04 data.

The top 5 (low cost) dataset includes five lowland farms. Average flock size is smaller, whilst farm size is larger for the top 5 group compared to the average group. The lack of LFA farms within the top 5 (low cost) group highlights some of the differences in the financial results such as lower concentrate costs and lower outputs from LFA and agri-environmental payments. The main financial difference are lower fixed costs of production by 45% giving rise to a greater margin of production for the top 5 (low cost) group. The lower costs of production for this top 5 (low cost) group can be partly expected due to more kilograms of lamb produced per ewe and less livestock units associated with the lamb enterprise, which assists to dilute the costs on a p/kg liveweight basis.

The margin of production data do not include the unpaid labour costs. In 2002/03, the margin associated with the lamb enterprise only just covered the unpaid labour and the estimated farmer/spouse labour costs. For the 2003/04 dataset, the margin of production for the lamb enterprise was 19.5 pence per kilogram when including all unpaid labour costs for the average group, whilst this margin of production for the top 5 (low cost) group was 52.9 pence per kilogram.

Table 25 Lamb: benchmarking data

	2003/04		2002/03
Sample size	23	Top 5	16
Flock size - numbers	258.2	205.2	299.7
Flock size - LU	27.5	22.6	32.1
Total Grazing LU	69.3	80.9	79.7
Percentage Sheep LU to Total GLU	39.7	27.9	40.2
Kilograms lamb produced	11138	11348	13046
Kilograms of lamb produced per ewe	43.1	55.3	43.5
Farm size - effective hectares	109.1	117.9	132.5
Farm size ESU	36.6	44.5	37.4
Forage area % from total UAA	85.1	75.9	82.0
OUTPUTS	p/kg LW	p/kg LW	p/kg LW
Sheep - output	122.77	126.79	124.65
- subsidies	39.07	21.55	38.05
- wool	2.82	1.96	2.68
- valuation change	3.98	0.94	-5.28
Sheep output	**168.64**	**151.24**	**160.10**
OTHER RELATED OUTPUTS			
LFA and agri-environmental payments	36.52	12.18	38.07
Miscellaneous revenue	8.94	4.05	3.37
By-products and forage	6.65	2.92	7.51
Other output	**52.11**	**19.15**	**48.96**
TOTAL OUTPUTS	**220.74**	**170.39**	**209.05**
Margin of production - pence per kilogram	**72.78**	**86.73**	**43.79**
(excluding unpaid labour costs)			

	2003/04		2002/03
	23	Top 5	16
COSTS	p/kg LW	p/kg LW	p/kg LW
Concentrates	18.61	11.37	18.12
Purchased bulk feed (hay & straw)	0.05	0.00	0.16
Stock keep	3.51	0.00	0.00
Veterinary and medicines	6.18	4.02	7.08
Other livestock costs - sheep	11.83	7.67	13.32
Net SAP quota leased	0.14	0.00	0.09
Flock replacement	0.11	-1.52	14.72
Total variable costs	**40.44**	**21.53**	**53.50**
Seeds	2.82	0.41	2.12
Fertilisers	3.53	2.64	4.75
Sprays	0.17	0.00	0.07
Other forage costs	7.42	7.88	10.66
Total forage costs	**13.95**	**10.93**	**17.60**
Paid labour	5.09	2.49	7.89
Casual labour	2.86	1.62	2.85
Machinery - contract work	3.47	2.35	2.89
- repairs	10.95	6.71	10.03
- fuels	8.25	3.02	7.45
-depreciation	13.32	8.58	13.95
Buildings depreciation	5.05	2.17	3.37
General farm costs	12.50	5.70	12.31
Water	1.82	0.85	1.08
Electricity	2.25	0.68	1.22
Land expenses	5.19	2.57	8.80
Insurance	6.52	3.37	5.72
Rent	7.41	8.76	10.99
Interest payments	8.88	2.33	5.62
Total fixed costs	**93.57**	**51.20**	**94.16**
TOTAL COSTS	**147.96**	**83.66**	**165.27**
Unpaid labour	8.52	7.43	7.41
Unpaid farmer and spouse labour	44.77	26.40	35.54

7. Appendices

7.1 Appendix 1. Detailed Farm Results

Table A1.1 ARABLE FARM RESULTS ORGANIC

OUTPUTS AND INPUTS		Identical sample 2002/03		Identical sample 2003/04		Full sample 2003/04	
Sample number		8		8		18	
Average farm size (UAA)		125		125		144	
Business size (ESU)		57		72		90	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	315	2
	cattle	0	0	0	0	1000	7
	net quota	2433	19	3570	29	2213	15
	valuation change	0	0	0	0	-1859	-13
Other cattle	output	16076	129	6306	50	7372	51
	valuation change	-4527	-36	3673	29	2844	20
	subsidies	4744	38	4161	33	3678	25
Sheep -	total output	5399	43	6285	50	6272	43
	valuation change	82	1	-66	-1	1044	7
	subsidies	1410	11	1445	12	1742	12
Other livestock		915	7	828	7	20627	143
Arable crops	output	37297	298	40871	327	48493	336
	subsidies (AAPS)	12513	100	11987	96	15690	109
By products forage and cults		7065	57	2600	21	3377	23
	subsidies (set-aside /other)	6048	48	9296	74	7666	53
Miscellaneous (incl. farmhouse benefit value)		9158	73	13020	104	13849	96
	- organic grants	4650	37	4206	34	7088	49
	- other agri-env.payments	1584	13	1793	14	3824	26
	FARM REVENUE	104846	839	109974	880	145236	1006
INPUTS							
Feeds	purchased concentrates	578	5	862	7	17972	124
	homegrown concentrates	1489	12	974	8	1285	9
Purchased fodder, Tack and stock keep		215	2	308	2	247	2
Veterinary and medicines		334	3	643	5	1126	8
Other livestock costs		2385	19	2768	22	4077	28
Seeds -	purchased and homegrown	4550	36	4698	38	6342	44
Fertilisers		1709	14	1408	11	1331	9
Crop protection		933	7	392	3	717	5
Other crop costs		2385	19	4214	34	3591	25
Labour	paid incl. paid management	3988	32	4889	39	10075	70
	casual	1088	9	526	4	1350	9
Machinery	contract	10878	87	9835	79	12317	85
	repairs	5427	43	5204	42	5647	39
	fuels	2127	17	2857	23	3154	22
General farming costs		8381	67	8138	65	9760	68
Land expenses		2853	23	2375	19	3381	23
Rent		14691	118	15153	121	11751	81
	FARM EXPENSES	64011	512	65245	522	94122	652
Excess of expenses over revenue		40836	327	44729	358	51114	354
Notional inputs							
- rental value/imputed rent		2868	23	3574	29	11490	80
- unpaid labour		992	8	1923	15	2424	17
- machinery depreciation		5923	47	6377	51	8674	60
		9783	78	11873	95	22588	156
NET FARM INCOME (excl. BLSA)		31053	248	32857	263	28526	198

Table A1.1 ARABLE FARM RESULTS — CONVENTIONAL

OUTPUTS AND INPUTS

		Identical sample				*Full sample*	
		2002/03		2003/04		2003/04	
Sample number		87		87		245	
Average farm size (UAA)		119		120		132	
Business size (ESU)		60		76		91	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	0	0
	cattle	0	0	0	0	0	0
	net quota	87	1	0	0	56	0
	valuation change	0	0	0	0	0	0
Other cattle	output	6515	55	5752	48	4872	37
	valuation change	666	6	2225	19	1039	8
	subsidies	4938	42	5395	45	3178	24
Sheep -	total output	2557	22	2549	21	3173	24
	valuation change	-111	-1	-17	0	51	0
	subsidies	578	5	591	5	741	6
Other livestock		3046	26	3126	26	878	7
Arable crops	output	43073	363	56300	471	84654	641
	subsidies (AAPS)	15829	133	16999	142	20910	158
By products forage and cults		5888	50	5128	43	3457	26
	subsidies (set-aside /other)	2939	25	3682	31	4077	31
Miscellaneous (incl. farmhouse benefit value)		10333	87	11842	99	15268	116
	- organic grants	0	0	0	0	1	0
	- other agri-env.payments	1521	13	2153	18	1698	13
	FARM REVENUE	97860	825	115726	968	144053	1091
INPUTS							
Feeds	purchased concentrates	2124	18	2361	20	1929	15
	homegrown concentrates	1484	13	1839	15	1473	11
Purchased fodder, Tack and stock keep		311	3	254	2	246	2
Veterinary and medicines		569	5	644	5	578	4
Other livestock costs		2429	20	2383	20	1468	11
Seeds -	purchased and homegrown	4072	34	4009	34	5897	45
Fertilisers		7366	62	6800	57	8595	65
Crop protection		7385	62	7378	62	10152	77
Other crop costs		3511	30	4195	35	7465	57
Labour	paid incl. paid management	6047	51	6355	53	8668	66
	casual	1169	10	1035	9	5905	45
Machinery	contract	7987	67	8382	70	8411	64
	repairs	4326	36	4398	37	5764	44
	fuels	2634	22	2653	22	3324	25
General farming costs		8267	70	9382	78	11848	90
Land expenses		1642	14	1953	16	2796	21
Rent		6576	55	6768	57	8501	64
	FARM EXPENSES	67901	573	70789	592	93020	704
Excess of expenses over revenue		29959	253	44936	376	51033	386
Notional inputs							
- rental value/imputed rent		11600	98	11860	99	12920	98
- unpaid labour		2397	20	2494	21	4480	34
- machinery depreciation		8149	69	7187	60	10693	81
		22147	187	21541	180	28093	213
NET FARM INCOME (excl. BLSA)		7813	66	23374	196	22930	174

Table A1.2 ARABLE FARM RESULTS — ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2002/03		2003/04		2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	31053	248	32857	263	28526	198
Less farmer and spouse labour	11705	94	9836	79	11017	76
Add managerial input of paid manager	0	0	0	0	694	5
Add BLSA	0	0	828	7	722	5
MANAGEMENT & INVESTMENT INCOME	19348	155	23849	191	18926	131
NET FARM INCOME (excl. BLSA)	31053	248	32857	263	28526	198
plus net rental value/imputed rent	2272	18	2894	23	9317	65
minus occupier's expenses	118	1	175	1	309	2
minus interest payments	3988	32	3919	31	2785	19
minus build & works depreciation	564	5	883	7	3688	26
OCCUPIER'S NET INCOME	28655	229	30773	246	31061	215
plus other imputed items	1425	11	2440	20	2706	19
plus fixed asset depreciation	6462	52	12490	100	15656	108
minus valuation changes	3430	27	-1033	-8	2954	20
NOTIONAL CASH INCOME	33112	265	46736	374	46469	322
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.5		1.4		1.9	
of which farmer & spouse	0.9		0.8		0.9	
NFI and paid labour/Annual Labour Units	24601		26896		21450	
NFI/Farmer & Spouse Labour Units	32987		38738		33285	
TENANT'S CAPITAL - £ per farm						
Machinery	39340	315	41404	331	49530	343
Livestock	24050	192	27630	221	33163	230
Crops	22880	183	23737	190	19645	136
Stores	3328	27	3005	24	3070	21
TOTAL	89597	717	95776	766	105408	730
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	118274	118274	118274	118274	323435	325494
Buildings, improvements and fixtures	1706	3966	3966	6206	14922	15486
Machinery	36998	41682	41682	41126	51234	47825
Livestock	26008	22092	25223	30036	30433	35894
Produce and goods in store	22534	29880	29251	24234	23702	21925
Quotas	14364	14906	14906	4386	15002	6860
Credit balances	17768	13609	21218	28586	21059	24444
TOTAL	237652	244410	254521	252847	479786	477928
EXTERNAL LIABILITIES						
Long and medium term loans	36131	33646	33646	31772	18419	21647
Short term loans	7952	8360	10194	7050	16518	10682
Overdrafts	21646	22326	22326	18304	19264	19218
TOTAL	65729	64332	66166	57125	54201	51547
NET WORTH	**171923**	**180078**	**188356**	**195722**	**425586**	**426381**
RETURNS TO CAPITAL						
Owner Equity (%)	73.7		77.4		89.2	
ONI/Net worth (%)	15.9		15.7		7.3	
Return on tenant's capital (%)	21.6		24.9		18.0	
Return on all capital (%)	13.9		15.4		6.4	

Table A1.2 ARABLE FARM RESULTS — CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2002/03		2003/04		2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	7813	66	23374	196	22930	174
Less farmer and spouse labour	13015	110	13596	114	12741	96
Add managerial input of paid manager	59	0	59	0	109	1
Add BLSA	310	3	445	4	371	3
MANAGEMENT & INVESTMENT INCOME	-4833	-41	10283	86	10670	81
NET FARM INCOME (excl. BLSA)	7813	66	23374	196	22930	174
plus net rental value/imputed rent	7946	67	8312	70	8964	68
minus occupier's expenses	474	4	411	3	640	5
minus interest payments	3338	28	3153	26	2567	19
minus build & works depreciation	1870	16	2091	17	3110	24
OCCUPIER'S NET INCOME	10076	85	26031	218	25578	194
plus other imputed items	2397	20	2494	21	4487	34
plus fixed asset depreciation	10246	86	9754	82	13833	105
minus valuation changes	246	2	6421	54	4716	36
NOTIONAL CASH INCOME	22473	190	31857	266	39182	297
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.6		1.7		2.2	
of which farmer & spouse	1.0		1.0		0.9	
NFI and paid labour/Annual Labour Units	9248		18491		17125	
NFI/Farmer & Spouse Labour Units	8090		23244		25091	
TENANT'S CAPITAL - £ per farm						
Machinery	42208	356	40683	340	57322	434
Livestock	17165	145	18926	158	14453	109
Crops	22721	192	24366	204	23031	174
Stores	10746	91	11264	94	14036	106
TOTAL	92840	783	95239	797	108842	824
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	401564	399619	399702	399275	426053	427912
Buildings, improvements and fixtures	9029	8878	8878	9841	12485	12601
Machinery	43942	40474	40437	40928	57482	57162
Livestock	16659	17672	17672	20181	13861	15045
Produce and goods in store	34085	33591	33804	38128	35816	39710
Quotas	3690	3052	3526	2745	2136	1605
Credit balances	27926	27510	26012	26852	46174	44693
TOTAL	536895	530794	530030	537950	594008	598728
EXTERNAL LIABILITIES						
Long and medium term loans	42652	40856	26947	23683	25255	24067
Short term loans	12475	11890	12964	14604	16697	16847
Overdrafts	27547	29364	29478	26480	23663	23570
TOTAL	82674	82110	69389	64767	65616	64485
NET WORTH	**454221**	**448684**	**460663**	**473184**	**528401**	**534244**
RETURNS TO CAPITAL						
Owner Equity (%)	84.5		88.0		89.2	
ONI/Net worth (%)	2.2		5.5		4.8	
Return on tenant's capital (%)	-5.2		10.8		9.8	
Return on all capital (%)	0.3		3.2		3.2	

Table A1.3 ARABLE FARM RESULTS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	34.7	24.6	29.8
	Barley	3.9	11.3	8.9
	Other cereals	10.1	7.0	14.5
	Oil seed rape	2.6	0.0	0.0
	Linseed	0.0	0.0	1.2
	Peas/Beans	5.4	4.5	7.2
	Potatoes	0.5	0.0	1.1
	Sugarbeet	0.6	0.6	0.7
	Horticulture	1.6	2.2	2.9
	Other crops	0.0	1.1	0.7
	Total cropping	**59.5**	**51.4**	**67.2**
	Set-aside	24.1	29.8	31.4
Tillage - fodder		0.9	3.9	2.5
Grassland	Grazing, hay and silage	38.4	38.2	36.2
Fallow and land let		1.9	1.0	7.1
Rough grazing	Effective	0.1	0.1	0.1
Utilisable agricultural area (Effective ha.)		125.0	125.0	144.4
Woods, roads and buildings		5.1	4.6	5.4
TOTAL AREA (Actual ha.)		130.6	129.5	150.0
effective forage area		**39.4**	**59.2**	**47.8**
Bare land and forage hired in		0.0	0.8	0.3
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		5.6	3.8	3.9
Barley		4.0	3.4	3.1
Oilseed Rape		0.4	0.0	0.0
Potatoes		23.5	0.0	15.0
Sugar Beet		45.0	65.0	63.3
- Prices (£ per tonne)*				
Wheat		124	171	157
Barley		62	137	121
Oilseed Rape		152	0	0
Potatoes		200	0	265
Sugar Beet		46	53	46

* Yield and price data is implied

Table A1.3 ARABLE FARM RESULTS **CONVENTIONAL**

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	42.1	34.6	42.7
	Barley	16.5	20.3	22.7
	Other cereals	2.9	4.1	3.6
	Oil seed rape	8.4	7.0	10.5
	Linseed	0.1	0.7	0.9
	Peas/Beans	4.4	5.9	7.2
	Potatoes	0.7	0.2	1.3
	Sugarbeet	3.8	3.8	3.8
	Horticulture	0.4	0.3	1.6
	Other crops	0.5	0.7	0.2
	Total cropping	**79.7**	**77.6**	**94.5**
	Set-aside	13.0	14.9	16.2
Tillage - fodder		0.8	0.7	0.7
Grassland	Grazing, hay and silage	24.0	23.7	17.9
Fallow and land let		2.8	3.9	4.5
Rough grazing	Effective	0.5	0.5	0.8
Utilisable agricultural area (Effective ha.)		118.6	119.6	132.1
Woods, roads and buildings		5.7	6.1	5.2
TOTAL AREA (Actual ha.)		124.3	125.7	137.3
effective forage area		**27.2**	**26.1**	**20.1**
Bare land and forage hired in		1.9	1.2	1.3
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		7.8	8.2	8.0
Barley		5.9	6.8	6.2
Oilseed Rape		3.6	3.1	3.5
Potatoes		41.5	32.0	36.2
Sugar Beet		50.5	47.2	54.3
- Prices (£ per tonne)*				
Wheat		61	87	87
Barley		62	77	79
Oilseed Rape		144	157	164
Potatoes		46	93	106
Sugar Beet		31	35	32

* Yield and price data is implied

Table A1.4 ARABLE FARM RESULTS — ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				Full sample	
	2002/03		2003/04		2003/04	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.5	0
Beef cows	11.3	15	9.8	13	10.7	14
Other cattle	21.5	38	31.8	53	25.7	43
Breeding sheep	7.5	103	7.3	100	10.6	127
Other sheep	2.2	54	2.6	61	2.3	57
Pigs	0.0	0	0.3	1	45.4	267
Poultry	0.0	0	0.0	0	1.3	94
Other livestock	0.0	7	0.0	5	0.0	2
TOTAL (L.U.)	42.5		51.7		96.5	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.3		0.4		0.7	
GLU/forage effective hectare*	1.1		0.9		2.0	

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	2002/03	2003/04	2003/04 (Full sample)
Dairy cows (litres)	0	0	4375
Dairy cows	0	0	346
Dairy calves	0	0	0
Dairy heifers in calf	224	0	466
Beef heifers in calf	760	550	550
Fat cattle	587	626	669
Beef store cattle 1-2 yrs	541	486	446
Beef stores <1 yr	275	256	230
Ewes	22	40	46
Ewe hoggs	0	0	67
Fat lambs	48	50	61
Store lambs	0	0	0
Fat Pigs	0	41	92
Milk (pence per litre)	0.0	0.0	14.7
Wool (pence per kg)	47.2	48.2	51.3

* Price data is implied

Table A1.4 ARABLE FARM RESULTS — CONVENTIONAL

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2002/03		2003/04		2003/04	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	5.1	7	5.3	7	3.9	5
Other cattle	17.6	31	18.1	33	12.4	23
Breeding sheep	5.2	49	5.3	50	6.3	60
Other sheep	1.3	31	1.4	30	1.4	33
Pigs	0.0	3	0.0	3	1.0	11
Poultry	4.7	289	4.0	244	0.1	12
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	33.9		34.0		25.1	

STOCKING RATES	2002/03	2003/04	2003/04 (Full sample)
Stocking rate (LU per eff.ha)	0.3	0.3	0.2
GLU/forage effective hectare*	1.2	1.3	1.2

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	2002/03	2003/04	2003/04 (Full sample)
Dairy cows (litres)	0	0	0
Dairy cows	0	0	0
Dairy calves	0	0	0
Dairy heifers in calf	0	0	686
Beef heifers in calf	438	0	0
Fat cattle	520	556	548
Beef store cattle 1-2 yrs	462	526	534
Beef stores <1 yr	317	237	238
Ewes	31	41	52
Ewe hoggs	35	54	61
Fat lambs	45	55	51
Store lambs	35	38	37
Fat Pigs	0	0	58
Milk (pence per litre)	0.0	0.0	0.0
Wool (pence per kg)	54.3	52.9	55.6

* Price data is implied

Table A2a.1 Arable/field vegetable cropping farms — ORGANIC

OUTPUTS AND INPUTS		*Identical sample* 2002/03		*Identical sample* 2003/04		*Full sample* 2003/04	
Sample number		5		5		8	
Average farm size (UAA)		401		407		341	
Business size (ESU)		254		499		425	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	0	0
	cattle	0	0	0	0	0	0
	net quota	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0
Other cattle	output	-1444	-4	4976	12	3769	11
	valuation change	4156	10	3045	7	2135	6
	subsidies	978	2	1793	4	1121	3
Sheep -	total output	3751	9	3432	8	2145	6
	valuation change	-131	0	-107	0	-67	0
	subsidies	1025	3	949	2	593	2
Other livestock		10479	26	11573	28	7233	21
Arable crops	output	457606	1141	507677	1246	428243	1256
	subsidies (AAPS)	54183	135	19845	49	13310	39
By products forage and cults		7542	19	95	0	-6307	-19
	subsidies (set-aside /other)	28289	71	32815	81	21971	64
Miscellaneous (incl. farmhouse benefit value)		47153	118	21645	53	61131	179
	- organic grants	19048	48	28750	71	18514	54
	- other agri-env.payments	0	0	102	0	3321	10
	FARM REVENUE	632635	1578	636588	1562	557112	1634
INPUTS							
Feeds	purchased concentrates	4793	12	7604	19	4753	14
	homegrown concentrates	1115	3	220	1	797	2
Purchased fodder, Tack and stock keep		0	0	1923	5	2407	7
Veterinary and medicines		220	1	379	1	237	1
Other livestock costs		4555	11	5019	12	5430	16
Seeds -	purchased and homegrown	76368	190	52815	130	48191	141
Fertilisers		4815	12	6686	16	6321	19
Crop protection		18004	45	17686	43	13500	40
Other crop costs		20167	50	52871	130	35507	104
Labour	paid incl. paid management	73402	183	66182	162	78592	231
	casual	128676	321	129415	318	96986	285
Machinery	contract	69494	173	50742	125	43211	127
	repairs	25794	64	27938	69	27772	81
	fuels	14606	36	17604	43	15590	46
General farming costs		47388	118	47308	116	51238	150
Land expenses		1434	4	1122	3	1157	3
Rent		30788	77	33215	82	25127	74
	FARM EXPENSES	521617	1301	518730	1273	456814	1340
Excess of expenses over revenue		111018	277	117859	289	100298	294
Notional inputs							
- rental value/imputed rent		40529	101	67082	165	57407	168
- unpaid labour		1178	3	2652	7	1877	6
- machinery depreciation		23250	58	21753	53	22034	65
		64958	162	91487	225	81318	239
NET FARM INCOME (excl. BLSA)		46060	115	26372	65	18980	56

Table A2a.2 Arable/field vegetable cropping farms ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2002/03		2003/04		2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	46060	115	26372	65	18980	56
Less farmer and spouse labour	11543	29	9963	24	10735	31
Add managerial input of paid manager	12190	30	11909	29	7443	22
Add BLSA	0	0	351	1	219	1
MANAGEMENT & INVESTMENT INCOME	46707	116	28668	70	15907	47
NET FARM INCOME (excl. BLSA)	46060	115	26372	65	18980	56
plus net rental value/imputed rent	32553	81	59810	147	50409	148
minus occupier's expenses	17913	45	22631	56	19930	58
minus interest payments	4526	11	4779	12	30688	90
minus build & works depreciation	1746	4	4804	12	3003	9
OCCUPIER'S NET INCOME	54428	136	53967	132	15768	46
plus other imputed items	2273	6	4381	11	3547	10
plus fixed asset depreciation	25099	63	29008	71	59807	175
minus valuation changes	12556	31	2916	7	-24534	-72
NOTIONAL CASH INCOME	69244	173	84440	207	103656	304
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	17.2		15.5		10.2	
of which farmer & spouse	0.8		0.7		0.7	
NFI and paid labour/Annual Labour Units	14392		14278		19027	
NFI/Farmer & Spouse Labour Units	57121		39043		26391	
TENANT'S CAPITAL - £ per farm						
Machinery	86047	215	106817	262	131902	387
Livestock	10618	26	14403	35	10657	31
Crops	29516	74	36453	89	53522	157
Stores	825	2	41164	101	31377	92
TOTAL	127007	317	198838	488	227458	667
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	2309957	2310746	2310746	2311448	1899591	1913755
Buildings, improvements and fixtures	10407	12428	15229	12768	44632	43094
Machinery	86182	85912	85912	127722	116999	146805
Livestock	8520	12715	12715	16091	9486	11829
Produce and goods in store	26493	34861	78011	77933	98440	71801
Quotas	1012	1387	1387	1091	938	754
Credit balances	84840	112206	116060	98527	126548	121677
TOTAL	2527412	2570256	2620061	2645580	2296633	2309714
EXTERNAL LIABILITIES						
Long and medium term loans	30000	30000	34078	30000	473976	471809
Short term loans	57802	49960	49917	53365	79215	102717
Overdrafts	5755	6457	6457	5610	134377	74570
TOTAL	93556	86417	90451	88975	687568	649095
NET WORTH	**2433856**	**2486520**	**2529610**	**2579150**	**1609065**	**1649860**
RETURNS TO CAPITAL						
Owner Equity (%)	96.7		97.5		71.4	
ONI/Net worth (%)	2.2		2.1		1.0	
Return on tenant's capital (%)	36.8		14.4		7.0	
Return on all capital (%)	3.0		2.3		1.8	

Table A2a.3 Arable/field vegetable cropping farms ORGANIC
LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	78.0	106.4	102.0
	Barley	18.8	0.6	0.4
	Other cereals	0.0	4.4	2.8
	Oil seed rape	1.2	0.0	8.9
	Linseed	0.0	0.0	0.0
	Peas/Beans	28.4	0.0	0.0
	Potatoes	9.1	7.4	21.7
	Sugarbeet	7.8	10.8	7.3
	Horticulture	26.1	84.3	56.1
	Other crops	0.0	2.1	1.3
	Total cropping	**169.4**	**216.1**	**200.4**
	Set-aside	144.5	88.0	59.8
Tillage - fodder		1.4	0.9	0.6
Grassland	Grazing, hay and silage	21.2	42.4	31.0
Fallow and land let		2.6	56.5	43.3
Rough grazing	Effective	0.0	0.0	0.0
Utilisable agricultural area (Effective ha.)		401.0	407.4	340.9
Woods, roads and buildings		15.9	15.9	13.3
TOTAL AREA (Actual ha.)		416.9	423.4	354.2
effective forage area		**22.6**	**43.3**	**31.6**
Bare land and forage hired in		0.0	0.7	0.5
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		5.4	4.7	4.6
Barley		3.3	3.7	3.7
Oilseed Rape		1.7	0.0	0.0
Potatoes		25.9	13.4	19.4
Sugar Beet		38.2	51.6	48.6
- Prices (£ per tonne)*				
Wheat		136	164	173
Barley		86	0	0
Oilseed Rape		300	0	0
Potatoes		215	220	185
Sugar Beet		51	51	49

* Yield and price data is implied

Table A2a.4 Arable/field vegetable cropping farms — ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2002/03		2003/04		2003/04	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	6.9	9	8.1	11	6.4	9
Other cattle	5.9	11	12.5	22	8.6	15
Breeding sheep	3.8	63	3.8	62	2.4	39
Other sheep	1.5	37	1.3	32	0.8	20
Pigs	0.0	0	0.0	0	0.0	2
Poultry	4.6	286	4.4	280	2.7	232
Other livestock	0.0	0	0.0	0	0.0	1
TOTAL (L.U.)	22.7		30.1		21.0	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.1		0.1		0.1	
GLU/forage effective hectare*	1.0		0.7		0.7	

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	Identical 2002/03	Identical 2003/04	Full 2003/04
Dairy cows (litres)	0	0	0
Dairy cows	0	0	0
Dairy calves	0	0	0
Dairy heifers in calf	0	0	0
Beef heifers in calf	653	653	653
Fat cattle	688	539	584
Beef store cattle 1-2 yrs	369	440	440
Beef stores <1 yr	163	163	163
Ewes	22	40	40
Ewe hoggs	0	0	0
Fat lambs	46	45	45
Store lambs	0	0	0
Fat Pigs	0	0	0
Milk (pence per litre)	0.0	0.0	0.0
Wool (pence per kg)	47.8	57.8	57.8

* Price data is implied

Table A2b.1 Arable/field vegetable farms — FULL SAMPLE COMPARISON

OUTPUTS AND INPUTS

		Organic 2003/04		*Conventional* 2003/04	
Sample number		8		10	
Average farm size (UAA)		341		326	
Business size (ESU)		425		458	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0
	cattle	0	0	0	0
	net quota	0	0	0	0
	valuation change	0	0	0	0
Other cattle	output	3769	11	5473	17
	valuation change	2135	6	-792	-2
	subsidies	1121	3	3049	9
Sheep -	total output	2145	6	0	0
	valuation change	-67	0	0	0
	subsidies	593	2	0	0
Other livestock		7233	21	2611	8
Arable crops	output	428243	1256	261736	802
	subsidies (AAPS)	13310	39	47656	146
By products forage and cults		-6307	-19	10208	31
	subsidies (set-aside /other)	21971	64	8587	26
Miscellaneous (incl. farmhouse benefit value)		61131	179	43178	132
	- organic grants	18514	54	0	0
	- other agri-env.payments	3321	10	1626	5
	FARM REVENUE	557112	1634	383330	1175
INPUTS					
Feeds	purchased concentrates	4753	14	3615	11
	homegrown concentrates	797	2	2790	9
Purchased fodder, Tack and stock keep		2407	7	8	0
Veterinary and medicines		237	1	896	3
Other livestock costs		5430	16	949	3
Seeds -	purchased and homegrown	48191	141	18032	55
Fertilisers		6321	19	22917	70
Crop protection		13500	40	30416	93
Other crop costs		35507	104	15465	47
Labour	paid incl. paid management	78592	231	46876	144
	casual	96986	285	1277	4
Machinery	contract	43211	127	31456	96
	repairs	27772	81	18897	58
	fuels	15590	46	8387	26
General farming costs		51238	150	25447	78
Land expenses		1157	3	6491	20
Rent		25127	74	25090	77
	FARM EXPENSES	456814	1340	259008	794
Excess of expenses over revenue		100298	294	124323	381
Notional inputs					
- rental value/imputed rent		57407	168	25866	79
- unpaid labour		1877	6	3221	10
- machinery depreciation		22034	65	32145	98
		81318	239	61232	188
NET FARM INCOME (excl. BLSA)		18980	56	63090	193

Table A2b.2 Arable/field vegetable farms **FULL SAMPLE COMPARISON**

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	*Organic* 2003/04		*Conventional* 2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	18980	56	63090	193
Less farmer and spouse labour	10735	31	8802	27
Add managerial input of paid manager	7443	22	544	2
Add BLSA	219	1	0	0
MANAGEMENT & INVESTMENT INCOME	15907	47	54832	168
NET FARM INCOME (excl. BLSA)	18980	56	63090	193
plus net rental value/imputed rent	50409	148	21624	66
minus occupier's expenses	19930	58	776	2
minus interest payments	30688	90	14267	44
minus build & works depreciation	3003	9	3996	12
OCCUPIER'S NET INCOME	15768	46	65675	201
plus other imputed items	3547	10	3221	10
plus fixed asset depreciation	59807	175	36216	111
minus valuation changes	-24534	-72	619	2
NOTIONAL CASH INCOME	103656	304	104492	320
LABOUR USE AND LABOUR INCOMES				
Annual Labour Units per farm	10.2		4.0	
of which farmer & spouse	0.7		0.7	
NFI and paid labour/Annual Labour Units	19027		27753	
NFI/Farmer & Spouse Labour Units	26391		85678	
TENANT'S CAPITAL - £ per farm				
Machinery	131902	387	174067	533
Livestock	10657	31	7076	22
Crops	53522	157	102589	314
Stores	31377	92	33112	101
TOTAL	227458	667	316844	971
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	1899591	1913755	1059549	1059549
Buildings, improvements and fixtures	44632	43094	16760	22618
Machinery	116999	146805	182281	165853
Livestock	9486	11829	7472	6680
Produce and goods in store	98440	71801	135495	136856
Quotas	938	754	2124	1483
Credit balances	126548	121677	75136	90360
TOTAL	2296633	2309714	1478817	1483398
EXTERNAL LIABILITIES				
Long and medium term loans	473976	471809	92227	84895
Short term loans	79215	102717	52832	69486
Overdrafts	134377	74570	109152	105174
TOTAL	687568	649095	254212	259556
NET WORTH	**1609065**	**1649860**	**1224605**	**1223843**
RETURNS TO CAPITAL				
Owner Equity (%)	71.4		82.5	
ONI/Net worth (%)	1.0		5.4	
Return on tenant's capital (%)	7.0		17.3	
Return on all capital (%)	1.8		5.4	

Table A2b.3 Arable/field vegetable farms **FULL SAMPLE COMPARISON**

LAND UTILISATION AND CROP PERFORMANCE

LAND UTILISATION - hectares per farm		*Organic* 2003/04	*Conventional* 2003/04
Tillage - maincrops	Wheat	102.0	103.1
	Barley	0.4	44.7
	Other cereals	2.8	6.3
	Oil seed rape	8.9	33.9
	Linseed	0.0	4.9
	Peas/Beans	0.0	1.1
	Potatoes	21.7	9.5
	Sugarbeet	7.3	16.3
	Horticulture	56.1	48.2
	Other crops	1.3	4.3
	Total cropping	**200.4**	**272.4**
	Set-aside	59.8	34.4
Tillage - fodder		0.6	0.0
Grassland	Grazing, hay and silage	31.0	9.3
Fallow and land let		43.3	15.3
Rough grazing	Effective	0.0	0.3
Utilisable agricultural area (Effective ha.)		340.9	326.4
Woods, roads and buildings		13.3	9.9
TOTAL AREA (Actual ha.)		354.2	336.2
effective forage area		**31.6**	**9.5**
Bare land and forage hired in		0.5	0.4

CROP PERFORMANCE -Yields (tonnes per hectare)*	Organic	Conventional
Wheat	4.6	8.8
Barley	3.7	6.0
Oilseed Rape	0.0	3.6
Potatoes	19.4	40.0
Sugar Beet	48.6	53.9
- Prices (£ per tonne)*		
Wheat	173	81
Barley	0	78
Oilseed Rape	0	162
Potatoes	185	105
Sugar Beet	49	35

* Yield and price data is implied

Table A2b.4 Arable/field vegetable farms — FULL SAMPLE COMPARISON

STOCKING AND LIVESTOCK PERFORMANCE

	Organic 2003/04		Conventional 2003/04	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0
Beef cows	6.4	9	2.5	3
Other cattle	8.6	15	8.1	20
Breeding sheep	2.4	39	0.0	0
Other sheep	0.8	20	0.0	0
Pigs	0.0	2	6.0	35
Poultry	2.7	232	0.0	0
Other livestock	0.0	1	0.0	0
TOTAL (L.U.)	21.0		16.6	

STOCKING RATES	Organic	Conventional
Stocking rate (LU per eff.ha)	0.1	0.1
GLU/forage effective hectare*	0.7	1.7

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	Organic	Conventional
Dairy cows (litres)	0	0
Dairy cows	0	0
Dairy calves	0	0
Dairy heifers in calf	0	0
Beef heifers in calf	653	0
Fat cattle	584	412
Beef store cattle 1-2 yrs	440	0
Beef stores <1 yr	163	0
Ewes	40	0
Ewe hoggs	0	0
Fat lambs	45	0
Store lambs	0	0
Fat Pigs	0	6
Milk (pence per litre)	0.0	0.0
Wool (pence per kg)	57.8	0.0

* Price data is implied

Table A2c.1 INTENSIVE HORTICULTURE HOLDINGS ORGANIC

OUTPUTS AND INPUTS

		Identical sample				*Full sample*	
		2002/03		2003/04		2003/04	
Sample number		7		7		8	
Average farm size (UAA)		17		16		15	
Business size (ESU)		35		46		138	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	0	0
	cattle	0	0	0	0	0	0
	net quota	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0
Other cattle	output	1444	85	1037	63	907	62
	valuation change	119	7	-631	-39	-552	-38
	subsidies	1096	64	1065	65	932	63
Sheep -	total output	0	0	0	0	0	0
	valuation change	1	0	-1	0	-1	0
	subsidies	0	0	0	0	0	0
Other livestock		0	0	0	0	0	0
Arable crops	output	56278	3312	64508	3940	95103	6475
	subsidies (AAPS)	0	0	0	0	0	0
By products forage and cults		1077	63	1043	64	1850	126
	subsidies (set-aside /other)	0	0	0	0	0	0
Miscellaneous (incl. farmhouse benefit value)		5638	332	5895	360	5414	369
	- organic grants	420	25	1045	64	914	62
	- other agri-env.payments	722	43	1020	62	892	61
	FARM REVENUE	66795	3931	74981	4579	105460	7180
INPUTS							
Feeds	purchased concentrates	99	6	0	0	0	0
	homegrown concentrates	0	0	0	0	0	0
Purchased fodder, Tack and stock keep		1203	71	682	42	597	41
Veterinary and medicines		196	12	300	18	263	18
Other livestock costs		793	47	984	60	861	59
Seeds -	purchased and homegrown	8160	480	7887	482	7580	516
Fertilisers		1102	65	1376	84	5444	371
Crop protection		463	27	560	34	1535	104
Other crop costs		3663	216	4576	279	6294	429
Labour	paid incl. paid management	7279	428	8278	506	11649	793
	casual	3853	227	4743	290	7410	505
Machinery	contract	1552	91	2952	180	2628	179
	repairs	2369	139	2668	163	5645	384
	fuels	1471	87	1679	103	1531	104
General farming costs		6094	359	7241	442	9728	662
Land expenses		374	22	197	12	286	19
Rent		2312	136	2391	146	2217	151
	FARM EXPENSES	40983	2412	46514	2841	63669	4335
Excess of expenses over revenue		25812	1519	28467	1739	41791	2845
Notional inputs							
- rental value/imputed rent		2071	122	1623	99	2782	189
- unpaid labour		996	59	1035	63	3842	262
- machinery depreciation		3739	220	3264	199	5781	394
		6807	401	5921	362	12405	845
NET FARM INCOME (excl. BLSA)		19006	1118	22546	1377	29386	2001

Table A2c.2 INTENSIVE HORTICULTURE HOLDINGS ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample 2002/03		*Identical sample* 2003/04		*Full sample* 2003/04	
INCOME MEASURES	**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	19006	1118	22546	1377	29386	2001
Less farmer and spouse labour	16640	979	17135	1046	15095	1028
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	0	0	1	0	1	0
MANAGEMENT & INVESTMENT INCOME	2365	139	5411	330	14292	973
NET FARM INCOME (excl. BLSA)	19006	1118	22546	1377	29386	2001
plus net rental value/imputed rent	923	54	81	5	1165	79
minus occupier's expenses	1657	98	1153	70	1440	98
minus interest payments	939	55	253	15	235	16
minus build & works depreciation	-228	-13	-704	-43	7	0
OCCUPIER'S NET INCOME	17560	1033	21924	1339	28869	1966
plus other imputed items	2077	122	2467	151	5095	347
plus fixed asset depreciation	4090	241	12474	762	15913	1083
minus valuation changes	-1037	-61	453	28	1421	97
NOTIONAL CASH INCOME	24764	1457	36412	2224	48456	3299
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.4		2.9		3.3	
of which farmer & spouse	1.1		1.1		1.1	
NFI and paid labour/Annual Labour Units	20797		12249		14898	
NFI/Farmer & Spouse Labour Units	17182		20383		27981	
TENANT'S CAPITAL - £ per farm						
Machinery	24356	1433	27550	1683	39300	2676
Livestock	4167	245	3997	244	3497	238
Crops	2571	151	2398	146	4242	289
Stores	1858	109	1843	113	3421	233
TOTAL	32952	1939	35788	2186	50461	3436
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	58096	58096	58096	58360	75648	75878
Buildings, improvements and fixtures	9955	9923	9923	10411	26058	25490
Machinery	23283	25429	25429	29671	37985	40616
Livestock	4107	4227	4312	3682	3773	3222
Produce and goods in store	5079	3922	3771	4855	6739	8712
Quotas	0	196	196	196	172	172
Credit balances	6776	10816	11445	13379	18422	16184
TOTAL	107296	112610	113173	120553	168797	170273
EXTERNAL LIABILITIES						
Long and medium term loans	7884	7190	7190	6479	27542	24321
Short term loans	6811	7625	7625	9059	8986	8411
Overdrafts	887	2661	2251	3243	26343	27986
TOTAL	15582	17476	17066	18781	62870	60719
NET WORTH	**91714**	**96178**	**96107**	**102870**	**105927**	**110515**
RETURNS TO CAPITAL						
Owner Equity (%)	85.4		85.3		64.9	
ONI/Net worth (%)	18.3		21.3		26.1	
Return on tenant's capital (%)	7.2		15.1		28.3	
Return on all capital (%)	4.2		6.5		9.7	

Table A2c.3 INTENSIVE HORTICULTURE HOLDINGS ORGANIC
LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	0.0	0.0	0.0
	Barley	0.0	0.0	0.0
	Other cereals	0.0	0.0	0.0
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	1.3	1.3	1.2
	Sugarbeet	0.0	0.0	0.0
	Horticulture	4.5	4.8	4.7
	Other crops	0.0	0.0	0.0
	Total cropping	**5.7**	**6.2**	**5.9**
	Set-aside	0.0	0.0	0.0
Tillage - fodder		0.0	0.0	0.0
Grassland	Grazing, hay and silage	7.6	9.7	8.5
Fallow and land let		2.8	0.5	0.4
Rough grazing	Effective	0.0	0.0	0.0
Utilisable agricultural area (Effective ha.)		17.0	16.4	14.7
Woods, roads and buildings		1.3	1.3	1.7
TOTAL AREA (Actual ha.)		18.3	17.7	16.4
effective forage area		**7.6**	**9.7**	**8.5**
Bare land and forage hired in		0.0	0.0	0.0
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		0.0	0.0	0.0
Barley		0.0	0.0	0.0
Oilseed Rape		0.0	0.0	0.0
Potatoes		23.2	16.9	16.9
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		0	0	0
Barley		0	0	0
Oilseed Rape		0	0	0
Potatoes		466	473	473
Sugar Beet		0	0	0

* Yield and price data is implied

Table A2c.4 INTENSIVE HORTICULTURE HOLDINGS ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2002/03		2003/04		2003/04	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	3.1	4	3.1	4	2.7	4
Other cattle	3.9	8	3.8	7	3.3	7
Breeding sheep	0.1	2	0.1	2	0.1	2
Other sheep	0.0	0	0.0	0	0.0	0
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	7.1		7.0		6.1	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.4		0.4		0.4	
GLU/forage effective hectare*	0.9		0.7		0.7	

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	2002/03	2003/04	2003/04
Dairy cows (litres)	0	0	0
Dairy cows	0	0	0
Dairy calves	0	0	0
Dairy heifers in calf	0	0	0
Beef heifers in calf	600	475	475
Fat cattle	0	619	619
Beef store cattle 1-2 yrs	433	395	395
Beef stores <1 yr	251	242	242
Ewes	0	0	0
Ewe hoggs	0	0	0
Fat lambs	0	0	0
Store lambs	0	0	0
Fat Pigs	0	0	0
Milk (pence per litre)	0.0	0.0	0.0
Wool (pence per kg)	0.0	0.0	0.0

* Price data is implied

Table A3.1 LFA DAIRY FARM RESULTS — ORGANIC

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2002/03		2003/04		2003/04	
Sample number		5		5		7	
Average farm size (UAA)		83		83		86	
Business size (ESU)		63		80		80	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	57920	696	61704	742	63727	742
	cattle	-1797	-22	-4347	-52	-2470	-29
	net quota	-120	-1	-581	-7	622	7
	valuation change	587	7	1724	21	1298	15
Other cattle	output	14576	175	10978	132	11552	134
	valuation change	-2630	-32	4490	54	3942	46
	subsidies	3494	42	3250	39	3377	39
Sheep -	total output	0	0	211	3	4383	51
	valuation change	0	0	0	0	426	5
	subsidies	0	0	0	0	1253	15
Other livestock		0	0	0	0	11	0
Arable crops	output	0	0	0	0	0	0
	subsidies (AAPS)	0	0	0	0	0	0
By products forage and cults		-2040	-25	2040	25	1741	20
	subsidies (set-aside /other)	659	8	0	0	0	0
Miscellaneous (incl. farmhouse benefit value)		4854	58	6850	82	6889	80
	- organic grants	4208	51	988	12	958	11
	- other agri-env.payments	885	11	1319	16	1879	22
	FARM REVENUE	80596	969	88626	1065	99588	1159
INPUTS							
Feeds	purchased concentrates	12807	154	13236	159	17483	203
	homegrown concentrates	1253	15	1031	12	1360	16
Purchased fodder, Tack and stock keep		1951	23	409	5	513	6
Veterinary and medicines		1758	21	1207	15	1613	19
Other livestock costs		3576	43	4006	48	5237	61
Seeds -	purchased and homegrown	285	3	276	3	337	4
Fertilisers		1307	16	359	4	441	5
Crop protection		22	0	113	1	80	1
Other crop costs		759	9	647	8	705	8
Labour	paid incl. paid management	0	0	0	0	1113	13
	casual	448	5	207	2	398	5
Machinery	contract	2420	29	2680	32	2470	29
	repairs	4047	49	4694	56	4997	58
	fuels	2188	26	2700	32	3142	37
General farming costs		7406	89	8168	98	8506	99
Land expenses		7878	95	1671	20	2496	29
Rent		3054	37	3054	37	2589	30
	FARM EXPENSES	51158	615	44457	534	53481	622
Excess of expenses over revenue		29438	354	44168	531	46107	536
Notional inputs							
- rental value/imputed rent		9878	119	13204	159	14148	165
- unpaid labour		4227	51	7511	90	10308	120
- machinery depreciation		7015	84	7540	91	8552	100
		21120	254	28255	340	33008	384
NET FARM INCOME (excl. BLSA)		8318	100	15914	191	13099	152

Table A3.1 LFA DAIRY FARM RESULTS — CONVENTIONAL

OUTPUTS AND INPUTS

		Identical sample				*Full sample*	
		2002/03		2003/04		2003/04	
Sample number		25		25		40	
Average farm size (UAA)		76		75		79	
Business size (ESU)		62		74		78	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	52674	696	55577	741	59924	759
	cattle	-1875	-25	434	6	281	4
	net quota	-355	-5	-855	-11	-1080	-14
	valuation change	-234	-3	-57	-1	198	3
Other cattle	output	10735	142	12189	163	10526	133
	valuation change	1487	20	-466	-6	1327	17
	subsidies	1251	17	1381	18	1708	22
Sheep -	total output	5801	77	5932	79	12580	159
	valuation change	29	0	264	4	224	3
	subsidies	2967	39	3076	41	5184	66
Other livestock		0	0	0	0	0	0
Arable crops	output	774	10	948	13	761	10
	subsidies (AAPS)	421	6	413	6	294	4
By products forage and cults		595	8	-296	-4	359	5
	subsidies (set-aside /other)	0	0	107	1	66	1
Miscellaneous (incl. farmhouse benefit value)		6575	87	6175	82	8382	106
	- organic grants	0	0	0	0	0	0
	- other agri-env.payments	928	12	992	13	621	8
	FARM REVENUE	81775	1081	85814	1145	101356	1284
INPUTS							
Feeds	purchased concentrates	14881	197	15418	206	17881	226
	homegrown concentrates	1779	24	2130	28	1876	24
Purchased fodder, Tack and stock keep		2178	29	1791	24	2127	27
Veterinary and medicines		2484	33	2588	35	3148	40
Other livestock costs		5309	70	6036	81	7563	96
Seeds -	purchased and homegrown	311	4	256	3	291	4
Fertilisers		5165	68	4755	63	4933	62
Crop protection		205	3	160	2	195	2
Other crop costs		906	12	950	13	917	12
Labour	paid incl. paid management	1910	25	1960	26	1169	15
	casual	893	12	1128	15	1054	13
Machinery	contract	4360	58	4064	54	4008	51
	repairs	4752	63	3755	50	4274	54
	fuels	2274	30	2235	30	2626	33
General farming costs		7527	100	7369	98	8029	102
Land expenses		2049	27	2259	30	2548	32
Rent		2883	38	3047	41	2967	38
	FARM EXPENSES	59865	792	59898	799	65606	831
Excess of expenses over revenue		21909	290	25916	346	35750	453
Notional inputs							
- rental value/imputed rent		7097	94	8634	115	9472	120
- unpaid labour		5177	68	5871	78	7413	94
- machinery depreciation		5899	78	5746	77	5918	75
		18174	240	20251	270	22803	289
NET FARM INCOME (excl. BLSA)		3736	49	6143	82	12947	164

Table A3.2 LFA DAIRY FARM RESULTS **ORGANIC**

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2002/03		2003/04		2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	8318	100	15914	191	13099	152
Less farmer and spouse labour	15347	185	15803	190	16701	194
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	-1023	-12	515	6	617	7
MANAGEMENT & INVESTMENT INCOME	-8052	-97	625	8	-2985	-35
NET FARM INCOME (excl. BLSA)	8318	100	15914	191	13099	152
plus net rental value/imputed rent	8319	100	11116	134	11937	139
minus occupier's expenses	266	3	266	3	225	3
minus interest payments	3058	37	2621	32	1883	22
minus build & works depreciation	3945	47	4754	57	5436	63
OCCUPIER'S NET INCOME	9368	113	19389	233	17491	204
plus other imputed items	4567	55	8109	97	10736	125
plus fixed asset depreciation	10959	132	32934	396	28731	334
minus valuation changes	-4286	-52	1693	20	2716	32
NOTIONAL CASH INCOME	29181	351	58739	706	54242	631
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.8		1.9		2.3	
of which farmer & spouse	1.0		1.0		1.1	
NFI and paid labour/Annual Labour Units	5004		8317		6389	
NFI/Farmer & Spouse Labour Units	8126		15686		11448	
TENANT'S CAPITAL - £ per farm						
Machinery	50278	604	54090	650	58352	679
Livestock	68174	820	70005	842	68418	796
Crops	7900	95	5140	62	4501	52
Stores	998	12	716	9	825	10
TOTAL	127349	1531	129951	1562	132095	1537
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	279846	279846	279846	279846	268745	268274
Buildings, improvements and fixtures	17249	19305	19305	26425	19936	31185
Machinery	49193	51362	52762	55418	57035	59669
Livestock	69707	66641	66641	73370	65276	71559
Produce and goods in store	10019	7776	8116	3595	6801	3851
Quotas	56175	54342	48502	43446	46896	43038
Credit balances	4722	7527	7727	9598	12037	13320
TOTAL	486911	486799	482899	491698	476727	490896
EXTERNAL LIABILITIES						
Long and medium term loans	94736	92459	92459	88385	66042	63132
Short term loans	7268	6736	6736	4784	5246	3703
Overdrafts	32980	36793	36793	44292	26281	31637
TOTAL	134983	135989	135989	137461	97569	98473
NET WORTH	**351928**	**350810**	**346910**	**354236**	**379157**	**392423**
RETURNS TO CAPITAL						
Owner Equity (%)	72.1		72.0		79.9	
ONI/Net worth (%)	2.7		5.5		4.5	
Return on tenant's capital (%)	-6.3		0.5		-2.3	
Return on all capital (%)	-1.0		0.7		-0.1	

Table A3.2 LFA DAIRY FARM RESULTS — CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2002/03		2003/04		2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	3736	49	6143	82	12947	164
Less farmer and spouse labour	16287	215	16612	222	15512	196
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	710	9	1617	22	2046	26
MANAGEMENT & INVESTMENT INCOME	-11842	-157	-8851	-118	-519	-7
NET FARM INCOME (excl. BLSA)	3736	49	6143	82	12947	164
plus net rental value/imputed rent	5393	71	6514	87	7433	94
minus occupier's expenses	165	2	172	2	199	3
minus interest payments	6652	88	5800	77	5146	65
minus build & works depreciation	2343	31	2335	31	2185	28
OCCUPIER'S NET INCOME	-30	0	4351	58	12850	163
plus other imputed items	5177	68	5871	78	7413	94
plus fixed asset depreciation	8242	109	8080	108	8103	103
minus valuation changes	1273	17	-647	-9	1832	23
NOTIONAL CASH INCOME	12116	160	18949	253	26534	336
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.9		2.0		2.0	
of which farmer & spouse	1.3		1.3		1.3	
NFI and paid labour/Annual Labour Units	3361		4627		7491	
NFI/Farmer & Spouse Labour Units	2854		4721		10125	
TENANT'S CAPITAL - £ per farm						
Machinery	40108	530	39007	520	41479	525
Livestock	56381	746	57373	765	63270	801
Crops	5056	67	4998	67	5008	63
Stores	728	10	726	10	937	12
TOTAL	102273	1352	102106	1362	110694	1402
	Opening	Closing	Opening	Closing	Opening	Closing
ASSETS - £ per farm	Value	Value	Value	Value	Value	Value
Land and Property	223463	226758	226782	228075	243335	244851
Buildings, improvements and fixtures	10940	9217	9217	9965	10358	11385
Machinery	40765	39450	39450	38564	42011	40948
Livestock	55385	57377	56694	58053	61372	65167
Produce and goods in store	5788	5779	5919	5531	5904	5986
Quotas	52076	40072	39900	42291	44314	48095
Credit balances	9333	10552	10552	12587	16821	17700
TOTAL	397751	389205	388514	395066	424115	434131
EXTERNAL LIABILITIES						
Long and medium term loans	38448	41023	41294	44559	45001	43232
Short term loans	5218	7700	7833	8262	4962	4849
Overdrafts	23491	20782	25899	26393	23721	26955
TOTAL	67157	69505	75026	79214	73685	75036
NET WORTH	**330594**	**319700**	**313488**	**315852**	**350430**	**359095**
RETURNS TO CAPITAL						
Owner Equity (%)	82.1		79.9		82.7	
ONI/Net worth (%)	0.0		1.4		3.6	
Return on tenant's capital (%)	-11.6		-8.7		-0.5	
Return on all capital (%)	-2.3		-1.5		0.6	

Table A3.3 LFA DAIRY FARM RESULTS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

LAND UTILISATION - hectares per farm		Identical sample 2002/03	Identical sample 2003/04	Full sample 2003/04
Tillage - maincrops	Wheat	0.0	0.0	0.0
	Barley	0.0	0.0	0.0
	Other cereals	0.0	0.0	0.0
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0
	Total cropping	**0.0**	**0.0**	**0.0**
	Set-aside	0.0	0.0	0.0
Tillage - fodder		3.2	0.0	0.0
Grassland	Grazing, hay and silage	77.7	81.0	83.5
Fallow and land let		0.0	0.0	0.6
Rough grazing	Effective	2.2	2.2	1.8
Utilisable agricultural area (Effective ha.)		83.2	83.2	85.9
Woods, roads and buildings		2.9	2.9	4.4
TOTAL AREA (Actual ha.)		87.3	86.1	91.2
effective forage area		**83.2**	**83.2**	**85.4**
Bare land and forage hired in		0.0	1.2	0.9

CROP PERFORMANCE -Yields (tonnes per hectare)*	Identical sample 2002/03	Identical sample 2003/04	Full sample 2003/04
Wheat	0.0	0.0	0.0
Barley	0.0	0.0	0.0
Oilseed Rape	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0
Sugar Beet	0.0	0.0	0.0
- Prices (£ per tonne)*			
Wheat	0	0	0
Barley	0	0	0
Oilseed Rape	0	0	0
Potatoes	0	0	0
Sugar Beet	0	0	0

* Yield and price data is implied

Table A3.3 LFA DAIRY FARM RESULTS — CONVENTIONAL

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	0.5	0.0	0.0
	Barley	1.6	2.5	1.8
	Other cereals	0.3	0.0	0.1
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0
	Total cropping	**2.3**	**2.5**	**1.9**
	Set-aside	0.0	0.0	0.0
Tillage - fodder		1.0	0.8	0.6
Grassland	Grazing, hay and silage	68.8	68.2	73.0
Fallow and land let		0.0	0.0	0.1
Rough grazing	Effective	3.5	3.5	3.2
Utilisable agricultural area (Effective ha.)		75.6	75.0	78.9
Woods, roads and buildings		2.1	2.1	1.9
TOTAL AREA (Actual ha.)		77.7	77.1	80.8
effective forage area		**78.4**	**77.4**	**81.4**
Bare land and forage hired in		5.1	4.9	4.6
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		7.6	0.0	0.0
Barley		6.6	5.7	5.5
Oilseed Rape		0.0	0.0	0.0
Potatoes		0.0	0.0	0.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		65	0	0
Barley		59	79	80
Oilseed Rape		0	0	0
Potatoes		0	0	0
Sugar Beet		0	0	0

* Yield and price data is implied

Table A3.4 LFA DAIRY FARM RESULTS — ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2002/03		2003/04		2003/04	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	70.2	70	71.3	71	67.6	68
Beef cows	5.6	7	5.9	8	6.2	8
Other cattle	42.4	70	44.0	75	45.3	80
Breeding sheep	0.0	0	0.0	0	6.1	76
Other sheep	0.0	0	0.1	2	4.7	117
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	118.1		121.4		129.8	

	2002/03	2003/04	2003/04 (Full sample)
STOCKING RATES			
Stocking rate (LU per eff.ha)	1.4	1.5	1.5
GLU/forage effective hectare*	1.4	1.5	1.5

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

	2002/03	2003/04	2003/04 (Full sample)
LIVESTOCK PERFORMANCE - Prices (£ per head)*			
Dairy cows (litres)	4427	4414	4705
Dairy cows	275	235	282
Dairy calves	41	82	82
Dairy heifers in calf	575	575	463
Beef heifers in calf	0	0	0
Fat cattle	315	513	509
Beef store cattle 1-2 yrs	440	348	316
Beef stores <1 yr	219	128	92
Ewes	0	0	29
Ewe hoggs	0	0	0
Fat lambs	0	47	51
Store lambs	0	0	0
Fat Pigs	0	0	0
Milk (pence per litre)	18.6	19.4	19.0
Wool (pence per kg)	0.0	0.0	62.9

* Price data is implied

Table A3.4 LFA DAIRY FARM RESULTS — CONVENTIONAL

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2002/03		2003/04		2002/03	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	61.3	61	59.3	59	61.1	61
Beef cows	1.6	2	2.2	3	0.7	1
Other cattle	39.8	71	38.2	69	34.7	64
Breeding sheep	14.8	185	15.1	188	24.2	302
Other sheep	3.8	95	4.3	107	7.7	192
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	121.4		119.2		128.4	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.6		1.6		1.6	
GLU/forage effective hectare*	1.5		1.5		1.6	

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	Identical 2002/03	Identical 2003/04	Full 2002/03
Dairy cows (litres)	5169	5356	5407
Dairy cows	328	392	370
Dairy calves	45	96	90
Dairy heifers in calf	311	2000	0
Beef heifers in calf	0	0	0
Fat cattle	458	447	445
Beef store cattle 1-2 yrs	322	376	432
Beef stores <1 yr	148	192	173
Ewes	13	28	40
Ewe hoggs	51	0	66
Fat lambs	44	45	46
Store lambs	35	36	39
Fat Pigs	0	0	0
Milk (pence per litre)	16.1	16.8	16.7
Wool (pence per kg)	38.2	50.7	56.0

* Price data is implied

Table A4.1 LOWLAND DAIRY FARM RESULTS ORGANIC

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2002/03		2003/04		2003/04	
Sample number		21		21		31	
Average farm size (UAA)		101		107		119	
Business size (ESU)		95		123		131	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	119674	1189	123316	1150	124491	1043
	cattle	-1479	-15	1320	12	-270	-2
	net quota	-1039	-10	-1416	-13	-1891	-16
	valuation change	1676	17	1923	18	2723	23
Other cattle	output	12290	122	15474	144	15625	131
	valuation change	980	10	1292	12	2054	17
	subsidies	1130	11	1490	14	1684	14
Sheep -	total output	196	2	415	4	431	4
	valuation change	147	1	209	2	85	1
	subsidies	53	1	62	1	70	1
Other livestock		0	0	0	0	749	6
Arable crops	output	3499	35	7182	67	11762	99
	subsidies (AAPS)	1645	16	2414	23	4261	36
By products forage and cults		2940	29	818	8	533	4
	subsidies (set-aside /other)	3788	38	4053	38	5282	44
Miscellaneous (incl. farmhouse benefit value)		4981	50	6747	63	9035	76
	- organic grants	5550	55	1615	15	3389	28
	- other agri-env.payments	2688	27	2855	27	3081	26
	FARM REVENUE	158717	1577	169769	1584	183093	1534
INPUTS							
Feeds	purchased concentrates	20752	206	22793	213	22940	192
	homegrown concentrates	5652	56	4721	44	6247	52
Purchased fodder, Tack and stock keep		2690	27	1843	17	1840	15
Veterinary and medicines		2801	28	3604	34	3657	31
Other livestock costs		14087	140	12169	114	12481	105
Seeds -	purchased and homegrown	2121	21	1923	18	2714	23
Fertilisers		1400	14	403	4	844	7
Crop protection		10	0	5	0	493	4
Other crop costs		615	6	434	4	1562	13
Labour	paid incl. paid management	17442	173	17954	167	20505	172
	casual	1156	11	1617	15	2105	18
Machinery	contract	9611	96	10616	99	10385	87
	repairs	6221	62	6901	64	8108	68
	fuels	3267	32	3099	29	3611	30
General farming costs		11820	117	13946	130	14261	120
Land expenses		5998	60	6445	60	5775	48
Rent		7889	78	8968	84	11724	98
	FARM EXPENSES	113531	1128	117444	1096	129252	1083
Excess of expenses over revenue		45186	449	52325	488	53841	451
Notional inputs							
- rental value/imputed rent		10526	105	12666	118	12796	107
- unpaid labour		3291	33	3993	37	3079	26
- machinery depreciation		7724	77	7115	66	8227	69
		21542	214	23774	222	24102	202
NET FARM INCOME (excl. BLSA)		23644	235	28550	266	29739	249

Table A4.1 LOWLAND DAIRY FARM RESULTS — CONVENTIONAL

OUTPUTS AND INPUTS

		Identical sample 2002/03		Identical sample 2003/04		Full sample 2003/04	
Sample number		185		185		215	
Average farm size (UAA)		91		92		111	
Business size (ESU)		92		114		128	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	95480	1044	103973	1125	107784	972
	cattle	-907	-10	-1510	-16	-155	-1
	net quota	-930	-10	-984	-11	-173	-2
	valuation change	-97	-1	102	1	-534	-5
Other cattle	output	21473	235	22839	247	20587	186
	valuation change	-289	-3	-992	-11	782	7
	subsidies	2901	32	2761	30	3015	27
Sheep -	total output	1593	17	1609	17	1582	14
	valuation change	-193	-2	180	2	309	3
	subsidies	415	5	412	4	344	3
Other livestock		261	3	263	3	3681	33
Arable crops	output	5822	64	11037	119	17512	158
	subsidies (AAPS)	2929	32	3338	36	5927	53
By products forage and cults		3009	33	1671	18	1825	16
	subsidies (set-aside /other)	925	10	1242	13	1681	15
Miscellaneous (incl. farmhouse benefit value)		8885	97	9733	105	11710	106
	- organic grants	0	0	9	0	5	0
	- other agri-env.payments	373	4	350	4	503	5
	FARM REVENUE	141650	1548	156033	1689	176386	1591
INPUTS							
Feeds	purchased concentrates	23024	252	24500	265	26029	235
	homegrown concentrates	3573	39	4759	52	5471	49
Purchased fodder, Tack and stock keep		2472	27	2568	28	2377	21
Veterinary and medicines		3776	41	3929	43	4425	40
Other livestock costs		9344	102	9824	106	10068	91
Seeds -	purchased and homegrown	1519	17	3974	43	4161	38
Fertilisers		6471	71	6790	73	8001	72
Crop protection		1517	17	1735	19	2920	26
Other crop costs		1276	14	1136	12	1748	16
Labour	paid incl. paid management	9739	106	10243	111	13555	122
	casual	1194	13	1057	11	1290	12
Machinery	contract	7198	79	7450	81	7520	68
	repairs	5667	62	5951	64	7350	66
	fuels	3063	33	3051	33	3425	31
General farming costs		11224	123	12040	130	13734	124
Land expenses		2843	31	2901	31	4157	37
Rent		5825	64	5923	64	6119	55
	FARM EXPENSES	99725	1090	107828	1167	122351	1104
Excess of expenses over revenue		41924	458	48205	522	54035	487
Notional inputs							
- rental value/imputed rent		11732	128	13261	144	16682	150
- unpaid labour		6638	73	6632	72	8489	77
- machinery depreciation		9378	103	9366	101	10092	91
		27748	303	29258	317	35263	318
NET FARM INCOME (excl. BLSA)		14176	155	18952	205	18773	169

Table A4.2 LOWLAND DAIRY FARM RESULTS — ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	*Identical sample* 2002/03 £/farm	2002/03 £/ha	2003/04 £/farm	2003/04 £/ha	*Full sample* 2003/04 £/farm	2003/04 £/ha
NET FARM INCOME (excl. BLSA)	23644	235	28550	266	29739	249
Less farmer and spouse labour	16354	163	17220	161	17454	146
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	606	6	852	8	1054	9
MANAGEMENT & INVESTMENT INCOME	7897	78	12181	114	13459	113
NET FARM INCOME (excl. BLSA)	23644	235	28726	268	29739	249
plus net rental value/imputed rent	9148	91	10874	101	10676	89
minus occupier's expenses	361	4	380	4	323	3
minus interest payments	4596	46	5074	47	4959	42
minus build & works depreciation	3599	36	4164	39	4423	37
OCCUPIER'S NET INCOME	24236	241	29982	280	30711	257
plus other imputed items	3672	36	4379	41	3340	28
plus fixed asset depreciation	11311	112	18143	169	17303	145
minus valuation changes	4776	47	6553	61	5168	43
NOTIONAL CASH INCOME	34442	342	45951	429	46186	387
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.7		2.7		2.8	
of which farmer & spouse	1.3		1.3		1.4	
NFI and paid labour/Annual Labour Units	15734		17902		18429	
NFI/Farmer & Spouse Labour Units	17762		21777		21910	
TENANT'S CAPITAL - £ per farm						
Machinery	49917	496	50829	474	55788	468
Livestock	79408	789	83208	776	83022	696
Crops	6380	63	8753	82	10703	90
Stores	1734	17	1913	18	2997	25
TOTAL	137440	1366	144703	1350	152510	1278

ASSETS - £ per farm	2002/03 Opening Value	2002/03 Closing Value	2003/04 Opening Value	2003/04 Closing Value	Full sample 2003/04 Opening Value	Full sample 2003/04 Closing Value
Land and Property	265786	271262	271262	280301	267862	278876
Buildings, improvements and fixtures	16304	14158	14158	17446	16369	20800
Machinery	49101	50733	50937	50720	55253	56323
Livestock	77704	81113	81070	85346	80057	85987
Produce and goods in store	7127	9101	9101	12230	13553	13846
Quotas	97199	75582	75582	93866	61716	78872
Credit balances	13050	12355	12630	15669	17031	21805
TOTAL	526271	514304	514741	555578	511842	556509
EXTERNAL LIABILITIES						
Long and medium term loans	54678	48392	50181	50600	46929	47839
Short term loans	12985	11413	11228	13187	18382	20259
Overdrafts	17088	23983	23983	24289	25056	26507
TOTAL	84751	83788	85393	88075	90367	94605
NET WORTH	**441519**	**430516**	**429348**	**467503**	**421475**	**461904**
RETURNS TO CAPITAL						
Owner Equity (%)	83.7		84.1		83.0	
ONI/Net worth (%)	5.6		6.4		6.6	
Return on tenant's capital (%)	5.7		8.4		8.8	
Return on all capital (%)	3.1		3.8		4.5	

Table A4.2 LOWLAND DAIRY FARM RESULTS — CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2002/03		2003/04		2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	14176	155	18952	205	18773	169
Less farmer and spouse labour	18665	204	19122	207	18157	164
Add managerial input of paid manager	27	0	28	0	140	1
Add BLSA	890	10	1163	13	1458	13
MANAGEMENT & INVESTMENT INCOME	-3548	-39	1062	11	2305	21
NET FARM INCOME (excl. BLSA)	14199	155	18993	206	18773	169
plus net rental value/imputed rent	9060	99	10484	113	13715	124
minus occupier's expenses	313	3	405	4	509	5
minus interest payments	5720	63	5247	57	6095	55
minus build & works depreciation	3480	38	3661	40	4418	40
OCCUPIER'S NET INCOME	13747	150	20164	218	21467	194
plus other imputed items	6640	73	6702	73	8531	77
plus fixed asset depreciation	12862	141	13027	141	14510	131
minus valuation changes	1015	11	2953	32	4859	44
NOTIONAL CASH INCOME	32234	352	36939	400	39649	358
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.7		2.6		2.9	
of which farmer & spouse	1.4		1.4		1.3	
NFI and paid labour/Annual Labour Units	9382		11528		11590	
NFI/Farmer & Spouse Labour Units	9833		13311		13934	
TENANT'S CAPITAL - £ per farm						
Machinery	55280	604	57410	621	61720	557
Livestock	80909	884	81163	879	83052	749
Crops	9121	100	11349	123	14274	129
Stores	4979	54	5572	60	7691	69
TOTAL	150289	1643	155494	1683	166736	1504
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	347717	359073	353045	354430	444056	448413
Buildings, improvements and fixtures	13330	14049	14049	15544	18143	18144
Machinery	53994	56565	56985	57835	61242	62198
Livestock	80753	81065	80925	81400	81919	84184
Produce and goods in store	13339	14963	15101	18742	19939	23991
Quotas	86431	64387	64563	93084	69750	101014
Credit balances	23483	22586	20775	24012	27540	29679
TOTAL	619047	612687	605444	645047	722589	767623
EXTERNAL LIABILITIES						
Long and medium term loans	59360	57478	58273	55927	65355	67565
Short term loans	14022	15991	15920	20592	17775	20840
Overdrafts	27559	29978	30066	31778	29590	28703
TOTAL	100940	103447	104259	108296	112720	117109
NET WORTH	**518107**	**509240**	**501185**	**536751**	**609869**	**650514**
RETURNS TO CAPITAL						
Owner Equity (%)	83.1		83.2		84.7	
ONI/Net worth (%)	2.7		3.8		3.3	
Return on tenant's capital (%)	-2.4		0.7		1.4	
Return on all capital (%)	0.4		1.1		1.1	

Table A4.3 LOWLAND DAIRY FARM RESULTS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	3.6	6.3	7.6
	Barley	0.2	0.6	0.9
	Other cereals	1.4	1.7	2.3
	Oil seed rape	0.0	0.0	1.1
	Linseed	0.0	0.0	2.6
	Peas/Beans	1.8	1.1	2.9
	Potatoes	0.0	0.0	0.2
	Sugarbeet	0.4	0.5	0.3
	Horticulture	0.0	0.0	0.1
	Other crops	0.0	0.1	0.8
	Total cropping	**7.4**	**10.2**	**19.0**
	Set-aside	4.4	4.3	6.7
Tillage - fodder		10.1	6.5	10.4
Grassland	Grazing, hay and silage	77.6	85.8	84.0
Fallow and land let		0.1	0.1	0.2
Rough grazing	Effective	0.9	0.3	0.4
Utilisable agricultural area (Effective ha.)		100.6	107.2	119.3
Woods, roads and buildings		3.1	3.1	7.0
TOTAL AREA (Actual ha.)		104.2	110.3	126.7
effective forage area		**88.7**	**93.1**	**96.7**
Bare land and forage hired in		0.0	2.1	4.4
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		4.2	5.2	5.3
Barley		5.0	3.7	4.5
Oilseed Rape		0.0	0.0	3.8
Potatoes		0.0	0.0	15.0
Sugar Beet		34.6	25.9	25.9
- Prices (£ per tonne)*				
Wheat		55	100	107
Barley		120	127	107
Oilseed Rape		0	0	173
Potatoes		0	0	235
Sugar Beet		44	0	0

* Yield and price data is implied

Table A4.3 LOWLAND DAIRY FARM RESULTS — CONVENTIONAL

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	7.8	7.2	12.4
	Barley	4.5	5.7	8.6
	Other cereals	0.6	0.5	0.7
	Oil seed rape	0.2	0.6	2.3
	Linseed	0.0	0.0	0.1
	Peas/Beans	0.4	0.3	1.3
	Potatoes	0.0	0.0	0.1
	Sugarbeet	0.1	0.1	0.2
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.4	0.3
	Total cropping	**13.7**	**14.9**	**25.9**
	Set-aside	2.2	2.6	3.9
Tillage - fodder		6.4	6.8	7.7
Grassland	Grazing, hay and silage	67.8	66.9	72.7
Fallow and land let		0.4	0.4	0.3
Rough grazing	Effective	1.2	1.2	1.3
Utilisable agricultural area (Effective ha.)		91.5	92.4	110.9
Woods, roads and buildings		2.9	3.0	4.2
TOTAL AREA (Actual ha.)		94.4	95.4	115.1
effective forage area		**80.1**	**79.7**	**86.6**
Bare land and forage hired in		4.9	5.1	5.2
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		7.2	7.2	6.8
Barley		5.8	5.7	5.8
Oilseed Rape		3.2	2.7	2.8
Potatoes		27.0	25.0	36.0
Sugar Beet		54.6	63.1	56.8
- Prices (£ per tonne)*				
Wheat		60	86	87
Barley		59	79	81
Oilseed Rape		132	168	165
Potatoes		57	78	87
Sugar Beet		26	23	35

* Yield and price data is implied

Table A4.4 LOWLAND DAIRY FARM RESULTS ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2002/03		2003/04		2003/04	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	101.9	102	103.7	104	105.2	105
Beef cows	0.5	1	0.6	1	0.4	1
Other cattle	44.2	81	46.3	84	48.7	88
Breeding sheep	0.7	7	0.8	8	0.8	8
Other sheep	0.1	4	0.4	11	0.3	7
Pigs	0.0	0	0.0	0	0.0	0
Poultry	0.0	0	0.0	0	0.3	163
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	147.4		151.8		155.6	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.5		1.4		1.3	
GLU/forage effective hectare*	1.7		1.6		1.6	

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	2002/03	2003/04	2003/04
Dairy cows (litres)	5343	5710	5688
Dairy cows	389	403	355
Dairy calves	59	77	72
Dairy heifers in calf	542	550	585
Beef heifers in calf	0	0	0
Fat cattle	498	633	669
Beef store cattle 1-2 yrs	322	359	369
Beef stores <1 yr	126	125	109
Ewes	30	49	44
Ewe hoggs	0	0	0
Fat lambs	59	65	62
Store lambs	0	0	0
Fat Pigs	0	0	0
Milk (pence per litre)	21.2	20.7	20.3
Wool (pence per kg)	44.1	50.7	52.0

* Price data is implied

Table A4.4 LOWLAND DAIRY FARM RESULTS — CONVENTIONAL

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				Full sample	
	2002/03		2003/04		2002/03	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	88.7	89	88.4	88	93.9	94
Beef cows	0.9	1	1.1	1	1.2	2
Other cattle	57.4	106	55.3	104	56.8	106
Breeding sheep	4.1	42	5.3	53	4.8	46
Other sheep	0.8	20	0.9	22	0.9	23
Pigs	0.0	0	0.0	0	1.9	21
Poultry	0.3	17	0.3	17	0.1	12
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	152.2		151.2		159.5	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.7		1.6		1.4	
GLU/forage effective hectare*	1.9		1.9		1.8	

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	Identical 2002/03	Identical 2003/04	Full 2002/03
Dairy cows (litres)	5942	6187	6176
Dairy cows	330	329	335
Dairy calves	80	98	91
Dairy heifers in calf	503	683	745
Beef heifers in calf	468	365	670
Fat cattle	458	473	469
Beef store cattle 1-2 yrs	360	422	425
Beef stores <1 yr	134	120	137
Ewes	30	46	53
Ewe hoggs	41	42	44
Fat lambs	45	56	55
Store lambs	27	40	39
Fat Pigs	0	0	75
Milk (pence per litre)	16.9	17.7	17.5
Wool (pence per kg)	48.3	56.5	54.2

* Price data is implied

Table A5.1 LOWLAND CATTLE AND SHEEP FARM RESULTS ORGANIC

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2002/03		2003/04		2003/04	
Sample number		16		16		21	
Average farm size (UAA)		74		74		79	
Business size (ESU)		24		23		23	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	0	0
	cattle	0	0	0	0	0	0
	net quota	175	2	0	0	0	0
	valuation change	0	0	0	0	0	0
Other cattle	output	14465	195	14028	190	15441	195
	valuation change	-489	-7	1746	24	1406	18
	subsidies	9816	133	10558	143	10522	133
Sheep -	total output	7293	98	5683	77	6975	88
	valuation change	-978	-13	-204	-3	-72	-1
	subsidies	1657	22	1535	21	1987	25
Other livestock		1246	17	1507	20	1148	14
Arable crops	output	1949	26	2519	34	2170	27
	subsidies (AAPS)	1278	17	1022	14	864	11
By products forage and cults		987	13	2058	28	1467	19
	subsidies (set-aside /other)	342	5	384	5	531	7
Miscellaneous (incl. farmhouse benefit value)		4722	64	6171	83	6356	80
	- organic grants	2068	28	1658	22	2002	25
	- other agri-env.payments	3532	48	4382	59	6633	84
	FARM REVENUE	48065	649	53049	718	57429	725
INPUTS							
Feeds	purchased concentrates	1679	23	1917	26	1841	23
	homegrown concentrates	963	13	1090	15	1452	18
Purchased fodder, Tack and stock keep		1299	18	932	13	925	12
Veterinary and medicines		785	11	994	13	1254	16
Other livestock costs		2710	37	2839	38	3225	41
Seeds -	purchased and homegrown	951	13	654	9	592	7
Fertilisers		856	12	305	4	225	3
Crop protection		0	0	0	0	1	0
Other crop costs		429	6	393	5	365	5
Labour	paid incl. paid management	0	0	463	6	352	4
	casual	612	8	1063	14	1675	21
Machinery	contract	3054	41	3155	43	3803	48
	repairs	2848	38	2164	29	2356	30
	fuels	1711	23	1895	26	1817	23
General farming costs		6000	81	5893	80	6413	81
Land expenses		2092	28	2373	32	2678	34
Rent		1884	25	1824	25	2610	33
	FARM EXPENSES	27873	376	27952	378	31585	399
Excess of expenses over revenue		20192	273	25097	339	25844	326
Notional inputs							
- rental value/imputed rent		7703	104	8472	115	9080	115
- unpaid labour		3183	43	3134	42	2795	35
- machinery depreciation		3959	53	4679	63	4191	53
		14844	200	16285	220	16066	203
NET FARM INCOME (excl. BLSA)		5343	72	8812	119	9778	123

Table A5.1 LOWLAND CATTLE AND SHEEP FARM RESULTS CONVENTIONAL

OUTPUTS AND INPUTS		*Identical sample*				*Full sample*	
		2002/03		2003/04		2003/04	
Sample number		139		139		170	
Average farm size (UAA)		71		71		77	
Business size (ESU)		29		27		27	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	1060	15	1005	14	73	1
	cattle	246	3	43	1	8	0
	net quota	785	11	55	1	113	1
	valuation change	-210	-3	6	0	-15	0
Other cattle	output	16875	238	17388	245	17382	224
	valuation change	1118	16	1299	18	3618	47
	subsidies	9797	138	10670	150	11591	150
Sheep -	total output	10188	143	11187	158	10780	139
	valuation change	-666	-9	-260	-4	-118	-2
	subsidies	2657	37	2664	38	2726	35
Other livestock		1083	15	279	4	217	3
Arable crops	output	1814	26	2736	39	1914	25
	subsidies (AAPS)	1017	14	1310	18	875	11
By products forage and cults		2461	35	1475	21	1426	18
	subsidies (set-aside /other)	209	3	220	3	133	2
Miscellaneous (incl. farmhouse benefit value)		6777	95	6588	93	11747	152
	- organic grants	0	0	0	0	0	0
	- other agri-env.payments	700	10	1115	16	1208	16
	FARM REVENUE	55910	787	57782	814	63678	822
INPUTS							
Feeds	purchased concentrates	4499	63	4572	64	4942	64
	homegrown concentrates	1726	24	2278	32	1566	20
Purchased fodder, Tack and stock keep		1135	16	935	13	1061	14
Veterinary and medicines		1580	22	1602	23	1550	20
Other livestock costs		3305	47	3123	44	3519	45
Seeds -	purchased and homegrown	491	7	570	8	508	7
Fertilisers		2972	42	2740	39	2448	32
Crop protection		342	5	348	5	277	4
Other crop costs		389	5	393	6	449	6
Labour	paid incl. paid management	1903	27	1739	25	2284	29
	casual	418	6	778	11	1804	23
Machinery	contract	2572	36	2220	31	2435	31
	repairs	2679	38	2814	40	3285	42
	fuels	1924	27	1925	27	2201	28
General farming costs		6111	86	6756	95	6706	87
Land expenses		1787	25	2067	29	2403	31
Rent		1897	27	1947	27	2581	33
	FARM EXPENSES	35729	503	36807	519	40020	516
Excess of expenses over revenue		20181	284	20974	296	23658	305
Notional inputs							
- rental value/imputed rent		8724	123	8913	126	9094	117
- unpaid labour		4934	69	4718	66	4626	60
- machinery depreciation		4444	63	4832	68	5204	67
		18103	255	18462	260	18923	244
NET FARM INCOME (excl. BLSA)		2085	29	2510	35	4734	61

Table A5.2 LOWLAND CATTLE AND SHEEP FARM RESULTS ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2002/03		2003/04		2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	5343	72	8812	119	9778	123
Less farmer and spouse labour	16171	218	16248	220	15060	190
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	419	6	1202	16	1283	16
MANAGEMENT & INVESTMENT INCOME	-10405	-140	-6235	-84	-3999	-50
NET FARM INCOME (excl. BLSA)	5343	72	8812	119	9778	123
plus net rental value/imputed rent	5387	73	5255	71	5976	75
minus occupier's expenses	314	4	186	3	204	3
minus interest payments	1508	20	1451	20	2056	26
minus build & works depreciation	1149	16	1705	23	3079	39
OCCUPIER'S NET INCOME	7760	105	10726	145	10414	131
plus other imputed items	3937	53	4341	59	3714	47
plus fixed asset depreciation	5059	68	10039	136	10056	127
minus valuation changes	-1072	-14	1531	21	1229	16
NOTIONAL CASH INCOME	17827	241	23575	319	22955	290
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.7		1.7		1.6	
of which farmer & spouse	1.2		1.2		1.1	
NFI and paid labour/Annual Labour Units	3501		6033		7366	
NFI/Farmer & Spouse Labour Units	4441		7662		9040	
TENANT'S CAPITAL - £ per farm						
Machinery	29422	397	31849	431	28339	358
Livestock	40680	549	41576	562	42978	542
Crops	2315	31	2363	32	3286	41
Stores	201	3	422	6	388	5
TOTAL	72618	980	76210	1031	74991	946
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	294419	295018	295018	293893	286784	286302
Buildings, improvements and fixtures	6278	6915	6915	10449	12362	14060
Machinery	27515	31328	31382	32316	27784	28894
Livestock	41187	40174	40220	42932	41682	44273
Produce and goods in store	2335	2696	2775	2796	3714	3635
Quotas	6850	7470	7531	6471	7940	6927
Credit balances	11953	13587	13733	14123	14102	14070
TOTAL	390537	397188	397574	402981	394368	398161
EXTERNAL LIABILITIES						
Long and medium term loans	9805	8884	7496	8051	26005	24534
Short term loans	3940	4922	6299	6207	4799	5285
Overdrafts	11731	9521	9492	9649	7568	7803
TOTAL	25475	23326	23287	23906	38372	37622
NET WORTH	**365062**	**373861**	**374287**	**379075**	**355996**	**360540**
RETURNS TO CAPITAL						
Owner Equity (%)	94.1		94.1		90.6	
ONI/Net worth (%)	2.1		2.8		2.9	
Return on tenant's capital (%)	-14.3		-8.2		-5.3	
Return on all capital (%)	-2.1		-1.1		-0.3	

Table A5.2 LOWLAND CATTLE AND SHEEP FARM RESULTS CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2002/03		2003/04		2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	2085	29	2510	35	4734	61
Less farmer and spouse labour	13710	193	14257	201	14325	185
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	930	13	1725	24	1604	21
MANAGEMENT & INVESTMENT INCOME	-10696	-151	-10023	-141	-7987	-103
NET FARM INCOME (excl. BLSA)	2085	29	2510	35	4734	61
plus net rental value/imputed rent	6764	95	7088	100	7223	93
minus occupier's expenses	214	3	272	4	471	6
minus interest payments	1605	23	1528	22	1466	19
minus build & works depreciation	1470	21	1731	24	1618	21
OCCUPIER'S NET INCOME	5560	78	6067	86	8401	108
plus other imputed items	4934	69	4730	67	4633	60
plus fixed asset depreciation	5914	83	6563	92	6822	88
minus valuation changes	237	3	987	14	3146	41
NOTIONAL CASH INCOME	16171	228	16373	231	16710	216
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.7		1.6		1.8	
of which farmer & spouse	1.1		1.1		1.1	
NFI and paid labour/Annual Labour Units	2626		3048		4907	
NFI/Farmer & Spouse Labour Units	1879		2272		4202	
TENANT'S CAPITAL - £ per farm						
Machinery	30153	424	31649	446	31867	411
Livestock	48729	686	50725	715	52373	676
Crops	4367	61	4341	61	4995	64
Stores	1249	18	1305	18	1475	19
TOTAL	84497	1189	88020	1241	90710	1171
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	301167	299867	299867	293781	295406	292978
Buildings, improvements and fixtures	8330	7827	7827	10013	6084	8465
Machinery	29265	31041	31039	32260	30060	33673
Livestock	48210	49247	49383	52067	49873	54872
Produce and goods in store	5551	5681	5632	5659	6595	6346
Quotas	11047	11383	11379	5584	10216	6329
Credit balances	12963	14772	15147	16748	16698	18691
TOTAL	416533	419817	420273	416112	414932	421354
EXTERNAL LIABILITIES						
Long and medium term loans	15014	13551	13542	11469	12962	11494
Short term loans	4192	4369	4328	3852	3779	4074
Overdrafts	16909	16646	16645	17329	9834	9444
TOTAL	36114	34565	34515	32650	26574	25012
NET WORTH	**380419**	**385251**	**385758**	**383462**	**388357**	**396343**
RETURNS TO CAPITAL						
Owner Equity (%)	91.8		92.2		94.1	
ONI/Net worth (%)	1.4		1.6		2.1	
Return on tenant's capital (%)	-12.7		-11.4		-8.8	
Return on all capital (%)	-2.1		-1.9		-1.3	

Table A5.3 LOWLAND CATTLE AND SHEEP FARM RESULTS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	0.6	0.9	0.5
	Barley	3.2	2.6	2.8
	Other cereals	1.5	1.6	0.9
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.1	0.1	0.1
	Other crops	0.5	0.0	0.0
	Total cropping	**5.9**	**5.1**	**4.3**
	Set-aside	0.7	0.6	0.4
Tillage - fodder		1.9	1.7	1.7
Grassland	Grazing, hay and silage	64.2	64.9	70.9
Fallow and land let		1.1	1.3	1.0
Rough grazing	Effective	0.3	0.3	1.0
Utilisable agricultural area (Effective ha.)		74.1	73.9	79.2
Woods, roads and buildings		2.7	2.7	3.4
TOTAL AREA (Actual ha.)		77.5	76.6	83.2
effective forage area		**75.3**	**73.2**	**79.5**
Bare land and forage hired in		8.9	6.5	6.2
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		0.0	4.0	3.8
Barley		3.7	4.0	4.1
Oilseed Rape		0.0	0.0	0.0
Potatoes		0.0	0.0	0.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		0	142	135
Barley		69	117	119
Oilseed Rape		0	0	0
Potatoes		0	0	0
Sugar Beet		0	0	0

* Yield and price data is implied

Table A5.3 LOWLAND CATTLE AND SHEEP FARM RESULTS CONVENTIONAL

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	0.8	0.8	0.4
	Barley	3.8	4.4	3.4
	Other cereals	0.9	0.7	0.4
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.2	0.2	0.1
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.1	0.1
	Total cropping	**5.7**	**6.1**	**4.3**
	Set-aside	0.4	0.7	0.1
Tillage - fodder		1.4	0.9	0.9
Grassland	Grazing, hay and silage	61.0	61.0	68.1
Fallow and land let		2.4	2.2	3.5
Rough grazing	Effective	0.3	0.3	0.6
Utilisable agricultural area (Effective ha.)		71.0	71.0	77.5
Woods, roads and buildings		2.8	2.8	4.2
TOTAL AREA (Actual ha.)		73.9	73.7	81.7
effective forage area		**67.2**	**65.2**	**72.6**
Bare land and forage hired in		4.5	3.2	3.1
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		5.7	6.5	5.7
Barley		5.0	5.3	5.3
Oilseed Rape		0.0	0.0	0.0
Potatoes		0.0	0.0	8.3
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		64	88	88
Barley		61	82	81
Oilseed Rape		0	0	0
Potatoes		0	0	308
Sugar Beet		0	0	0

* Yield and price data is implied

Table A5.4 LOWLAND CATTLE AND SHEEP FARM RESULTS ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2002/03		2003/04		2003/04	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	25.6	34	25.5	34	24.8	33
Other cattle	34.0	62	33.9	65	34.7	66
Breeding sheep	13.7	144	13.9	153	17.3	180
Other sheep	3.7	91	2.3	56	3.3	81
Pigs	0.5	3	0.4	3	0.3	2
Poultry	1.0	61	2.0	122	1.6	93
Other livestock	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	78.4		78.1		81.9	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.1		1.1		1.0	
GLU/forage effective hectare*	1.0		1.1		1.0	

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	2002/03	2003/04	2003/04 (Full sample)
Dairy cows (litres)	0	0	0
Dairy cows	0	0	0
Dairy calves	0	0	0
Dairy heifers in calf	0	0	0
Beef heifers in calf	476	433	456
Fat cattle	580	604	566
Beef store cattle 1-2 yrs	343	383	394
Beef stores <1 yr	212	210	229
Ewes	40	33	34
Ewe hoggs	32	29	37
Fat lambs	51	53	52
Store lambs	19	40	36
Fat Pigs	80	80	80
Milk (pence per litre)	0.0	0.0	0.0
Wool (pence per kg)	43.5	51.3	53.1

* Price data is implied

Table A5.4 LOWLAND CATTLE AND SHEEP FARM RESULTS CONVENTIONAL

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2002/03		2003/04		2002/03	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	1.2	1	1.0	1	0.3	0
Beef cows	14.9	20	15.0	20	20.1	27
Other cattle	49.4	86	48.9	87	49.3	91
Breeding sheep	25.4	242	23.9	227	23.6	224
Other sheep	5.5	136	5.0	124	4.7	116
Pigs	0.5	5	0.1	1	0.2	1
Poultry	0.3	91	0.1	6	0.1	3
Other livestock	0.6	2	0.6	0	0.5	1
TOTAL (L.U.)	97.7		94.7		98.8	
STOCKING RATES						
Stocking rate (LU per eff.ha)	1.4		1.3		1.3	
GLU/forage effective hectare*	1.5		1.5		1.4	

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	Identical 2002/03	Identical 2003/04	Full 2002/03
Dairy cows (litres)	3494	3094	1332
Dairy cows	371	228	201
Dairy calves	0	0	0
Dairy heifers in calf	0	700	700
Beef heifers in calf	460	1275	1043
Fat cattle	498	525	547
Beef store cattle 1-2 yrs	418	408	426
Beef stores <1 yr	184	158	185
Ewes	33	33	34
Ewe hoggs	43	58	60
Fat lambs	45	49	51
Store lambs	29	36	33
Fat Pigs	76	74	70
Milk (pence per litre)	17.3	17.1	17.3
Wool (pence per kg)	47.3	52.7	53.4

* Price data is implied

Table A6.1 LFA CATTLE AND SHEEP FARM RESULTS ORGANIC

OUTPUTS AND INPUTS		Identical sample				Full sample	
		2002/03		2003/04		2003/04	
Sample number		19		19		30	
Average farm size (UAA)		131		129		125	
Business size (ESU)		28		26		27	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	0	0
	cattle	0	0	0	0	28	0
	net quota	0	0	0	0	0	0
	valuation change	0	0	0	0	-67	-1
Other cattle	output	13965	106	16592	129	14690	118
	valuation change	642	5	500	4	935	7
	subsidies	8799	67	9990	78	9582	77
Sheep -	total output	12573	96	13426	104	15323	123
	valuation change	364	3	60	0	-32	0
	subsidies	8418	64	8713	68	9223	74
Other livestock		881	7	787	6	1173	9
Arable crops	output	618	5	634	5	450	4
	subsidies (AAPS)	294	2	323	3	228	2
By products forage and cults		701	5	-105	-1	119	1
	subsidies (set-aside /other)	148	1	118	1	75	1
Miscellaneous (incl. farmhouse benefit value)		6749	51	8190	64	9801	78
	- organic grants	3183	24	1529	12	2939	24
	- other agri-env.payments	7827	60	8697	68	8134	65
	FARM REVENUE	65162	497	69454	540	72600	581
INPUTS							
Feeds	purchased concentrates	5762	44	6394	50	6246	50
	homegrown concentrates	389	3	692	5	486	4
Purchased fodder, Tack and stock keep		2132	16	2279	18	1917	15
Veterinary and medicines		1817	14	1533	12	1818	15
Other livestock costs		3940	30	3829	30	3931	31
Seeds -	purchased and homegrown	349	3	503	4	383	3
Fertilisers		1213	9	1103	9	951	8
Crop protection		0	0	12	0	9	0
Other crop costs		387	3	361	3	424	3
Labour	paid incl. paid management	1436	11	841	7	2510	20
	casual	900	7	924	7	926	7
Machinery	contract	2960	23	2935	23	2653	21
	repairs	2898	22	2913	23	2916	23
	fuels	2428	18	2785	22	2859	23
General farming costs		5819	44	6429	50	6686	54
Land expenses		2261	17	1896	15	2072	17
Rent		1648	13	1714	13	2246	18
	FARM EXPENSES	36339	277	37143	289	39033	313
Excess of expenses over revenue		28823	220	32311	251	33567	269
Notional inputs							
- rental value/imputed rent		9313	71	10322	80	8724	70
- unpaid labour		2654	20	2649	21	3271	26
- machinery depreciation		4950	38	5044	39	5389	43
		16917	129	18014	140	17384	139
NET FARM INCOME (excl. BLSA)		11906	91	14297	111	16183	130

Table A6.1 LFA CATTLE AND SHEEP FARM RESULTS CONVENTIONAL

OUTPUTS AND INPUTS		*Identical sample* 2002/03		*Identical sample* 2003/04		*Full sample* 2003/04	
Sample number		127		127		181	
Average farm size (UAA)		117		115		120	
Business size (ESU)		33		34		33	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	111	1	0	0	0	0
	cattle	87	1	0	0	0	0
	net quota	76	1	54	0	35	0
	valuation change	-123	-1	0	0	0	0
Other cattle	output	11818	101	9764	85	12611	105
	valuation change	-967	-8	1496	13	202	2
	subsidies	6983	60	7649	67	8482	70
Sheep -	total output	22205	190	24093	210	24933	207
	valuation change	1004	9	234	2	-97	-1
	subsidies	13045	111	13481	118	12907	107
Other livestock		5	0	-29	0	106	1
Arable crops	output	126	1	258	2	249	2
	subsidies (AAPS)	60	1	96	1	88	1
By products forage and cults		507	4	-223	-2	559	5
	subsidies (set-aside /other)	0	0	0	0	17	0
Miscellaneous (incl. farmhouse benefit value)		8823	75	8882	78	10024	83
	- organic grants	0	0	0	0	0	0
	- other agri-env.payments	2851	24	3853	34	4423	37
	FARM REVENUE	66612	569	69609	608	74539	619
INPUTS							
Feeds	purchased concentrates	7301	62	7749	68	7703	64
	homegrown concentrates	146	1	179	2	182	2
Purchased fodder, Tack and stock keep		3055	26	2902	25	3214	27
Veterinary and medicines		2042	17	2310	20	2769	23
Other livestock costs		2943	25	2707	24	3178	26
Seeds -	purchased and homegrown	156	1	223	2	216	2
Fertilisers		3120	27	3432	30	3562	30
Crop protection		109	1	145	1	165	1
Other crop costs		248	2	267	2	302	3
Labour	paid incl. paid management	1120	10	1004	9	1309	11
	casual	414	4	372	3	714	6
Machinery	contract	1873	16	1967	17	1907	16
	repairs	2631	22	2817	25	2748	23
	fuels	2412	21	2502	22	2420	20
General farming costs		5519	47	5524	48	5753	48
Land expenses		1813	15	2101	18	2113	18
Rent		2025	17	1984	17	2143	18
	FARM EXPENSES	36926	315	38185	333	40395	336
Excess of expenses over revenue		29686	253	31423	274	34143	284
Notional inputs							
- rental value/imputed rent		8631	74	9600	84	8482	70
- unpaid labour		3722	32	3703	32	4060	34
- machinery depreciation		5236	45	5327	46	5684	47
		17589	150	18630	163	18226	151
NET FARM INCOME (excl. BLSA)		12096	103	12794	112	15918	132

Table A6.2 LFA CATTLE AND SHEEP FARM RESULTS ORGANIC

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2002/03		2003/04		2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	11906	91	14297	111	16183	130
Less farmer and spouse labour	13821	105	13999	109	14397	115
Add managerial input of paid manager	0	0	0	0	152	1
Add BLSA	249	2	2030	16	2318	19
MANAGEMENT & INVESTMENT INCOME	-1666	-13	2328	18	4256	34
NET FARM INCOME (excl. BLSA)	11906	91	14297	111	16183	130
plus net rental value/imputed rent	8239	63	8640	67	6550	52
minus occupier's expenses	206	2	200	2	184	1
minus interest payments	3146	24	3341	26	2417	19
minus build & works depreciation	1349	10	1765	14	1739	14
OCCUPIER'S NET INCOME	15443	118	17630	137	18393	147
plus other imputed items	3076	23	3378	26	3733	30
plus fixed asset depreciation	6261	48	11499	89	10098	81
minus valuation changes	1611	12	953	7	1302	10
NOTIONAL CASH INCOME	23169	177	31555	245	30922	248
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.6		1.5		1.7	
of which farmer & spouse	1.1		1.1		1.1	
NFI and paid labour/Annual Labour Units	8713		10365		11463	
NFI/Farmer & Spouse Labour Units	11237		13198		14118	
TENANT'S CAPITAL - £ per farm						
Machinery	34178	260	35173	274	33203	266
Livestock	46551	355	48053	374	53153	426
Crops	2678	20	2846	22	2676	21
Stores	254	2	568	4	564	5
TOTAL	83660	638	86641	674	89597	718
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	332614	338035	362011	362011	298781	298781
Buildings, improvements and fixtures	7480	6378	6378	8672	7811	9094
Machinery	33870	34485	34485	35862	32363	34044
Livestock	45910	47191	46754	49352	51521	54785
Produce and goods in store	2642	3221	3221	3607	3063	3419
Quotas	10965	12698	12893	10709	13275	10494
Credit balances	9963	18641	18663	12848	19963	16953
TOTAL	443444	460649	484405	483061	426775	427570
EXTERNAL LIABILITIES						
Long and medium term loans	27254	31980	31980	30713	22321	21198
Short term loans	2213	3285	3285	2064	2975	2799
Overdrafts	11122	13769	13769	14021	14355	13565
TOTAL	40590	49034	49034	46798	39651	37562
NET WORTH	**402854**	**411725**	**435371**	**436263**	**387124**	**390008**
RETURNS TO CAPITAL						
Owner Equity (%)	89.4		90.3		91.2	
ONI/Net worth (%)	3.8		4.0		4.7	
Return on tenant's capital (%)	-2.0		2.7		4.8	
Return on all capital (%)	0.0		0.8		1.5	

Table A6.2 LFA CATTLE AND SHEEP FARM RESULTS CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2002/03		2003/04		2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	12096	103	12794	112	15918	132
Less farmer and spouse labour	13787	118	14464	126	14926	124
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	316	3	3312	29	3259	27
MANAGEMENT & INVESTMENT INCOME	-1375	-12	1641	14	4251	35
NET FARM INCOME (excl. BLSA)	12096	103	12794	112	15918	132
plus net rental value/imputed rent	7661	65	8156	71	6685	56
minus occupier's expenses	170	1	162	1	215	2
minus interest payments	2489	21	2134	19	1904	16
minus build & works depreciation	1752	15	1848	16	1916	16
OCCUPIER'S NET INCOME	15346	131	16804	147	18568	154
plus other imputed items	3722	32	3703	32	4060	34
plus fixed asset depreciation	6988	60	7175	63	7600	63
minus valuation changes	-22	0	940	8	360	3
NOTIONAL CASH INCOME	26078	223	26742	233	29868	248
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	1.6		1.6		1.7	
of which farmer & spouse	1.2		1.2		1.2	
NFI and paid labour/Annual Labour Units	8269		8730		10513	
NFI/Farmer & Spouse Labour Units	10067		10525		12934	
TENANT'S CAPITAL - £ per farm						
Machinery	37336	319	38627	337	38924	323
Livestock	51093	436	53476	467	58503	486
Crops	3533	30	3162	28	2813	23
Stores	411	4	514	4	746	6
TOTAL	92374	789	95780	836	100986	839
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	318997	321450	321450	324359	291138	291807
Buildings, improvements and fixtures	7248	7356	7356	8936	8351	11751
Machinery	36477	38195	38242	39013	38535	39313
Livestock	50977	51209	50965	55988	56830	60175
Produce and goods in store	3914	3975	4061	3291	3422	3697
Quotas	12976	13841	14022	10112	16624	11351
Credit balances	17388	23343	23246	20127	29098	24345
TOTAL	447978	459371	459342	461825	443998	442439
EXTERNAL LIABILITIES						
Long and medium term loans	11099	11604	11613	10661	17945	12472
Short term loans	3657	4540	4540	4776	5586	5795
Overdrafts	18655	18117	18447	16437	12625	11325
TOTAL	33411	34261	34599	31874	36155	29591
NET WORTH	**414567**	**425109**	**424743**	**429951**	**407843**	**412848**
RETURNS TO CAPITAL						
Owner Equity (%)	92.5		93.1		93.3	
ONI/Net worth (%)	3.6		3.9		4.5	
Return on tenant's capital (%)	-1.5		1.7		4.2	
Return on all capital (%)	0.1		0.8		1.4	

Table A6.3 LFA CATTLE AND SHEEP FARM RESULTS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	0.0	0.0	0.0
	Barley	0.6	0.9	0.6
	Other cereals	0.8	0.6	0.4
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0
	Total cropping	**1.5**	**1.5**	**1.1**
	Set-aside	0.0	0.0	0.0
Tillage - fodder		0.7	0.7	0.5
Grassland	Grazing, hay and silage	118.9	116.3	102.3
Fallow and land let		0.0	0.0	0.1
Rough grazing	Effective	10.1	10.1	20.9
Utilisable agricultural area (Effective ha.)		131.2	128.6	124.9
Woods, roads and buildings		9.0	9.0	10.5
TOTAL AREA (Actual ha.)		152.3	137.6	149.1
effective forage area		**132.7**	**129.1**	**125.8**
Bare land and forage hired in		3.0	2.2	2.2
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		0.0	0.0	0.0
Barley		4.1	4.6	4.3
Oilseed Rape		0.0	0.0	0.0
Potatoes		0.0	0.0	0.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		0	0	0
Barley		110	100	110
Oilseed Rape		0	0	0
Potatoes		0	0	0
Sugar Beet		0	0	0

* Yield and price data is implied

Table A6.3 LFA CATTLE AND SHEEP FARM RESULTS CONVENTIONAL

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	0.0	0.1	0.0
	Barley	0.2	0.2	0.3
	Other cereals	0.1	0.3	0.3
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0
	Total cropping	**0.4**	**0.5**	**0.6**
	Set-aside	0.0	0.0	0.0
Tillage - fodder		0.4	0.5	0.4
Grassland	Grazing, hay and silage	104.8	102.0	95.9
Fallow and land let		0.0	0.0	0.1
Rough grazing	Effective	11.5	11.5	23.3
Utilisable agricultural area (Effective ha.)		117.1	114.6	120.4
Woods, roads and buildings		5.9	5.8	5.9
TOTAL AREA (Actual ha.)		132.5	120.4	126.2
effective forage area		**121.5**	**118.9**	**125.0**
Bare land and forage hired in		4.8	4.9	5.5
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		0.0	7.5	7.5
Barley		4.8	4.9	5.0
Oilseed Rape		0.0	0.0	0.0
Potatoes		0.0	30.0	16.0
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		0	103	103
Barley		59	71	71
Oilseed Rape		0	0	0
Potatoes		0	119	111
Sugar Beet		0	0	0

* Yield and price data is implied

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

	Identical sample				*Full sample*	
	2002/03		2003/04		2003/04	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.1	0
Beef cows	21.4	29	21.9	29	21.2	28
Other cattle	25.4	50	23.9	48	25.9	51
Breeding sheep	37.0	510	34.2	467	39.1	511
Other sheep	9.4	232	8.4	207	9.5	235
Pigs	0.5	2	0.4	2	0.3	1
Poultry	0.0	0	0.0	0	0.5	32
Other livestock	0.0	0	0.0	0	0.6	1
TOTAL (L.U.)	93.7		88.8		97.1	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.7		0.7		0.8	
GLU/forage effective hectare*	0.7		0.7		0.8	

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	Identical 2002/03	Identical 2003/04	Full 2003/04
Dairy cows (litres)	0	0	0
Dairy cows	0	0	208
Dairy calves	0	0	0
Dairy heifers in calf	0	0	0
Beef heifers in calf	531	625	621
Fat cattle	672	790	758
Beef store cattle 1-2 yrs	402	413	412
Beef stores <1 yr	224	217	200
Ewes	17	22	30
Ewe hoggs	0	0	54
Fat lambs	42	44	45
Store lambs	29	30	30
Fat Pigs	126	110	110
Milk (pence per litre)	0.0	0.0	0.0
Wool (pence per kg)	46.4	48.8	49.3

* Price data is implied

Table A6.4 LFA CATTLE AND SHEEP FARM RESULTS — CONVENTIONAL

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2002/03		2003/04		2002/03	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.1	0	0.0	0	0.0	0
Beef cows	18.6	25	18.5	25	22.1	29
Other cattle	27.6	52	26.4	50	24.4	49
Breeding sheep	57.8	722	59.7	745	57.2	714
Other sheep	16.2	398	16.1	397	15.8	387
Pigs	0.0	0	0.0	0	0.1	1
Poultry	0.0	0	0.0	0	0.0	5
Other livestock	0.2	0	0.1	0	0.1	0
TOTAL (L.U.)	120.4		120.9		119.6	

STOCKING RATES	Identical 2002/03	Identical 2003/04	Full 2002/03
Stocking rate (LU per eff.ha)	1.0	1.1	1.0
GLU/forage effective hectare*	1.0	1.0	1.0

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	Identical 2002/03	Identical 2003/04	Full 2002/03
Dairy cows (litres)	4630	0	0
Dairy cows	244	0	0
Dairy calves	0	0	0
Dairy heifers in calf	473	826	826
Beef heifers in calf	487	493	580
Fat cattle	491	558	541
Beef store cattle 1-2 yrs	437	460	467
Beef stores <1 yr	204	236	285
Ewes	28	30	34
Ewe hoggs	40	40	49
Fat lambs	35	39	41
Store lambs	28	29	29
Fat Pigs	0	0	64
Milk (pence per litre)	15.4	0.0	0.0
Wool (pence per kg)	45.2	48.7	46.5

* Price data is implied

Table A7.1 MIXED FARM RESULTS — ORGANIC

OUTPUTS AND INPUTS

		Identical sample				Full sample	
		2002/03		2003/04		2003/04	
Sample number		7		7		15	
Average farm size (UAA)		137		142		107	
Business size (ESU)		49		57		43	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	0	0
	cattle	0	0	0	0	0	0
	net quota	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0
Other cattle	output	20382	149	21147	149	12581	117
	valuation change	-179	-1	4940	35	6384	59
	subsidies	14262	104	16493	117	10936	102
Sheep -	total output	16251	119	18832	133	13902	130
	valuation change	665	5	1265	9	618	6
	subsidies	3906	29	4211	30	3068	29
Other livestock		0	0	0	0	2492	23
Arable crops	output	16017	117	19836	140	14620	136
	subsidies (AAPS)	9097	67	9103	64	6686	62
By products forage and cults		6385	47	5320	38	3728	35
	subsidies (set-aside /other)	2431	18	4672	33	3180	30
Miscellaneous (incl. farmhouse benefit value)		4452	33	6447	46	10780	100
	- organic grants	7558	55	4642	33	3752	35
	- other agri-env.payments	6087	45	5303	37	3907	36
	FARM REVENUE	107313	786	122213	864	96636	900
INPUTS							
Feeds	purchased concentrates	1302	10	883	6	1983	18
	homegrown concentrates	3420	25	3432	24	2803	26
Purchased fodder, Tack and stock keep		1845	14	404	3	295	3
Veterinary and medicines		1962	14	1664	12	1455	14
Other livestock costs		4966	36	5373	38	3296	31
Seeds -	purchased and homegrown	4950	36	4538	32	3097	29
Fertilisers		1781	13	1967	14	1305	12
Crop protection		572	4	371	3	245	2
Other crop costs		1207	9	1308	9	770	7
Labour	paid incl. paid management	3137	23	3740	26	6096	57
	casual	2206	16	2510	18	1521	14
Machinery	contract	3887	28	3692	26	3403	32
	repairs	7099	52	6597	47	5883	55
	fuels	4051	30	4305	30	3340	31
General farming costs		10077	74	11268	80	9891	92
Land expenses		4032	30	3471	25	5147	48
Rent		9010	66	8990	64	5938	55
	FARM EXPENSES	65504	480	64515	456	56468	526
Excess of expenses over revenue		41809	306	57698	408	40168	374
Notional inputs							
- rental value/imputed rent		7207	53	8545	60	9122	85
- unpaid labour		10071	74	10492	74	5862	55
- machinery depreciation		9567	70	9654	68	7026	65
		26846	197	28691	203	22010	205
NET FARM INCOME (excl. BLSA)		14963	110	29007	205	18181	169

Table A7.1 MIXED FARM RESULTS — CONVENTIONAL

OUTPUTS AND INPUTS

		Identical sample 2002/03		Identical sample 2003/04		Full sample 2003/04	
Sample number		61		61		118	
Average farm size (UAA)		125		125		110	
Business size (ESU)		61		71		51	
OUTPUTS		**£/farm**	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
Dairy -	milk output	0	0	0	0	63	1
	cattle	0	0	0	0	148	1
	net quota	28	0	0	0	9	0
	valuation change	0	0	0	0	-127	-1
Other cattle	output	17797	142	21441	172	16629	151
	valuation change	6253	50	1497	12	2677	24
	subsidies	14212	113	16637	133	12316	112
Sheep -	total output	7950	63	10854	87	13512	122
	valuation change	1384	11	-1045	-8	337	3
	subsidies	2004	16	1964	16	3136	28
Other livestock		15773	126	17195	138	1292	12
Arable crops	output	26192	209	34720	278	19626	178
	subsidies (AAPS)	11475	91	11953	96	8337	76
By products forage and cults		7090	57	6953	56	4288	39
	subsidies (set-aside /other)	1927	15	2341	19	1568	14
Miscellaneous (incl. farmhouse benefit value)		10804	86	16526	132	9581	87
	- organic grants	0	0	0	0	0	0
	- other agri-env.payments	712	6	1096	9	1368	12
	FARM REVENUE	123602	985	142131	1138	94762	859
INPUTS							
Feeds	purchased concentrates	11763	94	13096	105	4550	41
	homegrown concentrates	5015	40	6922	55	4709	43
Purchased fodder, Tack and stock keep		1410	11	1378	11	1822	17
Veterinary and medicines		1844	15	1948	16	1690	15
Other livestock costs		5564	44	6737	54	4498	41
Seeds -	purchased and homegrown	2615	21	3502	28	1935	18
Fertilisers		5866	47	6267	50	5012	45
Crop protection		4837	39	4962	40	3242	29
Other crop costs		1617	13	1578	13	897	8
Labour	paid incl. paid management	5785	46	6826	55	3752	34
	casual	2147	17	2119	17	1392	13
Machinery	contract	6675	53	5932	48	3942	36
	repairs	5564	44	5741	46	4626	42
	fuels	3667	29	5078	41	3244	29
General farming costs		9272	74	10087	81	8534	77
Land expenses		3029	24	2990	24	2273	21
Rent		5984	48	6078	49	5220	47
	FARM EXPENSES	82653	659	91239	731	61337	556
Excess of expenses over revenue		40949	326	50892	408	33424	303
Notional inputs							
- rental value/imputed rent		11595	92	12931	104	10426	94
- unpaid labour		6065	48	7413	59	4807	44
- machinery depreciation		8694	69	9687	78	8243	75
		26354	210	30031	241	23475	213
NET FARM INCOME (excl. BLSA)		14596	116	20860	167	9945	90

Table A7.2 MIXED FARM RESULTS **ORGANIC**

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2002/03		2003/04		2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	14963	110	29007	205	18181	169
Less farmer and spouse labour	13399	98	13605	96	14653	137
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	857	6	2496	18	1735	16
MANAGEMENT & INVESTMENT INCOME	2421	18	17899	126	5241	49
NET FARM INCOME (excl. BLSA)	14963	110	29007	205	18181	169
plus net rental value/imputed rent	6454	47	7449	53	7699	72
minus occupier's expenses	145	1	149	1	173	2
minus interest payments	3507	26	4212	30	2728	25
minus build & works depreciation	1653	12	1911	14	1621	15
OCCUPIER'S NET INCOME	16112	118	30184	213	21359	199
plus other imputed items	10286	75	10803	76	6513	61
plus fixed asset depreciation	11220	82	13192	93	11997	112
minus valuation changes	2172	16	8811	62	7764	72
NOTIONAL CASH INCOME	35446	260	45369	321	32105	299
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.3		2.3		2.2	
of which farmer & spouse	1.1		1.1		1.1	
NFI and paid labour/Annual Labour Units	8779		15020		11813	
NFI/Farmer & Spouse Labour Units	13603		27272		16291	
TENANT'S CAPITAL - £ per farm						
Machinery	66744	489	65862	465	48357	451
Livestock	57199	419	61533	435	48088	448
Crops	17742	130	16209	115	8507	79
Stores	1836	13	1644	12	874	8
TOTAL	143520	1051	145249	1026	105826	986
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	266430	263287	263287	263287	328329	328329
Buildings, improvements and fixtures	9071	7396	7396	7621	8264	8550
Machinery	68284	65203	65203	66521	48346	48368
Livestock	56527	57870	57183	65884	43790	52387
Produce and goods in store	18735	20421	16551	19156	8930	9832
Quotas	8191	10635	10635	9722	6973	6634
Credit balances	23993	37709	29557	27734	21592	20346
TOTAL	451233	462521	449812	459925	466223	474445
EXTERNAL LIABILITIES						
Long and medium term loans	32889	25808	44736	43751	29606	27342
Short term loans	11752	13599	11452	11115	10261	16119
Overdrafts	23449	22801	18540	11583	14180	11281
TOTAL	68089	62208	74728	66448	54047	54741
NET WORTH	**383143**	**400313**	**375084**	**393477**	**412176**	**419703**
RETURNS TO CAPITAL						
Owner Equity (%)	86.6		85.6		88.5	
ONI/Net worth (%)	4.0		7.7		5.1	
Return on tenant's capital (%)	1.7		12.3		5.0	
Return on all capital (%)	2.5		5.8		2.4	

Table A7.2 MIXED FARM RESULTS — CONVENTIONAL

INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

	Identical sample				*Full sample*	
INCOME MEASURES	2002/03		2003/04		2003/04	
	£/farm	**£/ha**	**£/farm**	**£/ha**	**£/farm**	**£/ha**
NET FARM INCOME (excl. BLSA)	14596	116	20860	167	9945	90
Less farmer and spouse labour	15542	124	16209	130	17548	159
Add managerial input of paid manager	0	0	0	0	0	0
Add BLSA	1075	9	1183	9	2025	18
MANAGEMENT & INVESTMENT INCOME	130	1	5834	47	-5578	-51
NET FARM INCOME (excl. BLSA)	14596	116	20860	167	9945	90
plus net rental value/imputed rent	8274	66	8715	70	7554	68
minus occupier's expenses	338	3	341	3	259	2
minus interest payments	5196	41	4864	39	2302	21
minus build & works depreciation	4433	35	5095	41	2413	22
OCCUPIER'S NET INCOME	12902	103	19275	154	12524	113
plus other imputed items	6065	48	7417	59	4812	44
plus fixed asset depreciation	13127	105	14782	118	10656	97
minus valuation changes	7827	62	1791	14	3942	36
NOTIONAL CASH INCOME	24267	193	39683	318	24049	218
LABOUR USE AND LABOUR INCOMES						
Annual Labour Units per farm	2.2		2.3		2.0	
of which farmer & spouse	1.2		1.2		1.3	
NFI and paid labour/Annual Labour Units	10222		12821		7530	
NFI/Farmer & Spouse Labour Units	12185		17359		7747	
TENANT'S CAPITAL - £ per farm						
Machinery	46011	367	49674	398	47605	431
Livestock	48438	386	53737	430	54394	493
Crops	15025	120	15863	127	10982	100
Stores	7760	62	8161	65	5476	50
TOTAL	117234	935	127435	1021	118457	1073
ASSETS - £ per farm	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	452996	454967	454967	457985	316614	324941
Buildings, improvements and fixtures	25658	24373	24373	28929	9105	9060
Machinery	45843	46180	47452	51895	47045	48165
Livestock	44065	52810	52770	54704	51971	56817
Produce and goods in store	22707	22864	23503	24544	15898	17018
Quotas	4586	4975	4931	3851	6275	5024
Credit balances	32008	44581	44091	29859	24364	26930
TOTAL	627863	650750	652088	651767	471271	487955
EXTERNAL LIABILITIES						
Long and medium term loans	39595	38643	38643	38102	21704	23876
Short term loans	17304	26007	25865	16097	10052	12275
Overdrafts	32028	36438	36994	39594	19206	18800
TOTAL	88927	101088	101502	93794	50962	54951
NET WORTH	**538936**	**549662**	**550586**	**557973**	**420309**	**433012**
RETURNS TO CAPITAL						
Owner Equity (%)	84.5		85.6		88.7	
ONI/Net worth (%)	2.3		3.5		2.9	
Return on tenant's capital (%)	0.1		4.6		-4.7	
Return on all capital (%)	0.9		1.8		-0.1	

Table A7.3 MIXED FARM RESULTS ORGANIC

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	12.9	11.0	8.1
	Barley	4.5	4.7	4.5
	Other cereals	13.1	14.0	10.9
	Oil seed rape	0.0	0.0	0.0
	Linseed	0.0	1.2	0.6
	Peas/Beans	9.3	5.2	3.0
	Potatoes	0.6	0.5	0.4
	Sugarbeet	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0
	Other crops	0.0	0.5	0.2
	Total cropping	**40.3**	**37.1**	**27.8**
	Set-aside	7.5	9.0	7.5
Tillage - fodder		3.7	1.6	1.4
Grassland	Grazing, hay and silage	81.6	90.2	68.0
Fallow and land let		2.8	3.1	2.4
Rough grazing	Effective	0.6	0.6	0.3
Utilisable agricultural area (Effective ha.)		136.5	141.5	107.3
Woods, roads and buildings		3.4	3.4	3.4
TOTAL AREA (Actual ha.)		139.9	144.9	111.9
effective forage area		**87.5**	**92.3**	**71.1**
Bare land and forage hired in		1.7	0.0	1.4
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		3.8	4.3	4.3
Barley		3.5	3.0	3.1
Oilseed Rape		0.0	0.0	0.0
Potatoes		10.0	14.8	11.8
Sugar Beet		0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat		116	150	149
Barley		141	154	129
Oilseed Rape		0	0	0
Potatoes		290	202	210
Sugar Beet		0	0	0

* Yield and price data is implied

Table A7.3 MIXED FARM RESULTS CONVENTIONAL

LAND UTILISATION AND CROP PERFORMANCE

		Identical sample		*Full sample*
LAND UTILISATION - hectares per farm		2002/03	2003/04	2003/04
Tillage - maincrops	Wheat	26.6	23.4	15.1
	Barley	13.8	12.9	11.4
	Other cereals	2.8	3.1	4.0
	Oil seed rape	2.3	5.7	1.5
	Linseed	0.3	1.1	0.0
	Peas/Beans	5.7	3.7	2.3
	Potatoes	0.8	0.8	0.2
	Sugarbeet	0.5	0.5	0.1
	Horticulture	0.2	0.0	0.0
	Other crops	0.8	1.1	0.7
	Total cropping	**53.6**	**52.3**	**35.2**
	Set-aside	8.6	8.9	5.8
Tillage - fodder		1.4	1.9	2.7
Grassland	Grazing, hay and silage	60.6	60.5	65.3
Fallow and land let		2.3	1.9	1.5
Rough grazing	Effective	0.0	0.5	0.0
Utilisable agricultural area (Effective ha.)		125.4	124.8	110.3
Woods, roads and buildings		2.8	2.8	2.4
TOTAL AREA (Actual ha.)		128.2	127.6	112.8
effective forage area		**68.2**	**71.5**	**78.5**
Bare land and forage hired in		6.3	8.6	10.6
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat		8.1	8.0	7.5
Barley		6.3	6.4	5.7
Oilseed Rape		2.7	3.8	3.6
Potatoes		23.8	25.8	24.7
Sugar Beet		48.8	47.5	41.3
- Prices (£ per tonne)*				
Wheat		61	87	90
Barley		60	80	81
Oilseed Rape		148	164	160
Potatoes		96	141	109
Sugar Beet		33	35	38

* Yield and price data is implied

Table A7.4 MIXED FARM RESULTS — ORGANIC

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample 2002/03 LU	2002/03 No's	*Identical sample* 2003/04 LU	2003/04 No's	*Full sample* 2003/04 LU	2003/04 No's
LIVESTOCK CARRIED - L.U. per farm						
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	27.5	37	27.2	36	19.9	27
Other cattle	41.7	78	42.0	78	34.9	62
Breeding sheep	23.6	262	25.7	286	20.1	225
Other sheep	12.3	302	14.2	352	8.7	217
Pigs	0.0	0	0.0	0	1.4	8
Poultry	0.0	0	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0	0.1	0
TOTAL (L.U.)	105.0		109.0		85.1	
STOCKING RATES						
Stocking rate (LU per eff.ha)	0.8		0.8		0.8	
GLU/forage effective hectare*	1.2		1.2		1.2	

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*	2002/03	2003/04	Full sample 2003/04
Dairy cows (litres)	0	0	0
Dairy cows	0	0	0
Dairy calves	0	0	0
Dairy heifers in calf	0	0	0
Beef heifers in calf	463	517	450
Fat cattle	745	663	639
Beef store cattle 1-2 yrs	346	421	407
Beef stores <1 yr	158	158	147
Ewes	24	36	39
Ewe hoggs	0	0	0
Fat lambs	58	57	55
Store lambs	0	50	48
Fat Pigs	0	0	68
Milk (pence per litre)	0.0	0.0	0.0
Wool (pence per kg)	50.0	51.6	53.6

* Price data is implied

Table A7.4 MIXED FARM RESULTS — CONVENTIONAL

STOCKING AND LIVESTOCK PERFORMANCE

	Identical sample				*Full sample*	
	2002/03		2003/04		2002/03	
LIVESTOCK CARRIED - L.U. per farm	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	0.0	0
Beef cows	14.5	19	15.1	20	16.7	22
Other cattle	47.4	91	53.9	103	48.2	85
Breeding sheep	18.4	172	18.7	174	25.6	246
Other sheep	6.0	145	5.8	143	7.5	183
Pigs	32.3	185	31.9	185	0.8	7
Poultry	0.1	23	0.1	30	0.1	5
Other livestock	0.0	0	0.0	0	0.1	0
TOTAL (L.U.)	118.7		125.6		99.1	

STOCKING RATES			
Stocking rate (LU per eff.ha)	0.9	1.0	0.9
GLU/forage effective hectare*	1.7	1.8	1.3

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

LIVESTOCK PERFORMANCE - Prices (£ per head)*			
Dairy cows (litres)	0	0	9478
Dairy cows	0	0	820
Dairy calves	0	0	0
Dairy heifers in calf	0	0	0
Beef heifers in calf	0	493	507
Fat cattle	536	543	566
Beef store cattle 1-2 yrs	490	512	512
Beef stores <1 yr	132	268	240
Ewes	36	41	41
Ewe hoggs	40	43	55
Fat lambs	44	50	51
Store lambs	35	35	35
Fat Pigs	54	62	81
Milk (pence per litre)	0.0	0.0	17.4
Wool (pence per kg)	45.0	53.6	48.6

* Price data is implied

7.2 Appendix 2 The Farm Classification System

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

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

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

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

7.3 Appendix 3 Definition of Terms and abbreviations

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

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

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

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

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

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

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

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

Margin over concentrates

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

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

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

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

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

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

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

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

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

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

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

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

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

Abbreviations used throughout text include:

AAPS – Arable Area Payment Scheme

CCF – Comparable Conventional Farms

ESU – Economic Size Unit

FBS – Farm Business Survey

LFA – Less Favoured Area

LSU – Livestock Unit

MII – Management and Investment Income

NFI – Net Farm Income

SGM – Standard Gross Margins

UAA – Utilisable Agricultural Area