

Prifysgol
Aberystwyth
University

Wales Farm Income Booklet
2006/07 Results

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Foreword

For over seventy years Aberystwyth University has conducted the Farm Business Survey (FBS). The survey, widely recognised as the most authoritative of the financial position and economic performance of farms, serves two purposes. Firstly, it provides regional, national and EU policy-makers with information on the economic state of the industry. Secondly, it provides farmers, advisors and various organisations with comparative information for assessing the performance of individual farms.

The data in this booklet utilises financial and benchmarking information collected in the FBS from over 550 randomly selected Welsh farms. FBS methodology would normally include a rental figure for owner occupied farms and a value for unpaid labour. This booklet only shows unpaid labour for reference purposes. The full results are published in the annual FBS Statistical Results and copies are available from the Institute.

The FBS unit gratefully acknowledge the many farmers throughout Wales who have generously made detailed business information available, the Welsh Assembly Government who finance the survey, and Hybu Cig Cymru - Meat Promotion Wales (HCC) for the sponsorship of this booklet.

The Farm Business Survey
Institute of Rural Sciences

Institute of Rural Sciences (IRS)

Aberystwyth University has been associated with land-based studies since 1878, and has established an enviable reputation for teaching and research. IRS continues that tradition and is the premier provider of agricultural education within Wales, offering courses from Higher National Diploma through to postgraduate research degrees.

The Institute is rightly proud of its research and tradition for disseminating the results of research directly to the farming industry. As our industry continues to come under economic pressure, this dialogue will become increasingly important for the survival of our industry.

Introduction

As farmers adjust to farming under the Single Payment Scheme, we hope this latest edition of this booklet will prove useful, informative and provide relevant information for farmers to adapt and remain competitive.

The results in this booklet are laid out as follows with data shown for the average and top third performers:

1. Whole Farm Data (Pages 5 – 16)

The whole farm data results present a profit and loss account and summarised balance sheet for six different types of farm. The results show the average profit or loss for these farms and its equivalent per hectare. Also shown is the size and stocking of these farms and relevant key performance indicators.

2. Gross Margin Data (Pages 17 – 20)

The booklet presents data for eight different farm enterprises. Gross margins compare income with the direct costs incurred for production. Care is needed when using gross margins since no account is taken of indirect production costs (overheads). Gross margins do not include any direct subsidies.

3. Production Costs Data (Pages 21 – 22)

Production costs are presented for four farm outputs. These examine the total unit cost of production and, by allocating both direct and indirect costs (the later being allocated on a livestock unit basis), the producer is better able to determine both the competitiveness and efficiency of the enterprise.

Farm profitability is central to any farm business, although farmers will have many other business and personal objectives. The financial reward for time and resources supplied by the farmer needs to take priority. Consequently, farmers should only produce where they can profitably do so (subject to cross compliance).

The variation in performance and return demonstrated in this booklet shows the scope for change. By comparing or 'benchmarking' farm performance, potential strengths and weaknesses within the farming operation can be identified. All producers should be aware of both their own production costs and how they compare with other farmers.

DEFINITION OF TERMS AND EXPLANATORY NOTES

<i>Effective Hectares (Eff. ha)</i>	Constitutes total farm area minus area occupied by roads, woodland, wasteland and buildings, and rough grazing expressed in terms of pasture equivalent.
<i>Single Payment Scheme (SPS)</i>	Replaced all production linked subsidies as part of the restructuring of the CAP.
Farm Types	
<i>Hill</i>	Mainly in Severely Disadvantaged Area.
<i>Upland</i>	Mainly in Disadvantaged Area.
<i>Lowland</i>	Mainly outside Less Favoured Area.
Whole Farm Data	
<i>Ranking of whole farm data</i>	Top producers are ranked by profit after rent and finance per effective hectare.
<i>Indirect subsidies</i>	Subsidies not subject to de-coupling e.g. Organic Scheme, Tir Gofal and ESA. Includes Tir Mynydd for lowland and all dairy farm types.
<i>Other crop costs</i>	Includes all arable and forage costs except for fertilisers and contracting, e.g. seeds, sprays, wrap, twine etc.
<i>Allocatable contracting</i>	Contracting allocated to enterprises e.g. combining, shearing and slurry spreading.
<i>General farm costs</i>	Includes electric, telephone, licences, insurances, professional fees and subscriptions.
<i>Miscellaneous income</i>	Comprises contracting, cottage rents, wayleaves, insurance receipts etc. Includes revenue from other enterprises not shown.
<i>Owner equity</i>	Net Worth as percentage of total assets.
<i>Stocking Rate (glu/eff. ha),</i>	Grazing Livestock Units per effective hectare of land.
<i>Livestock Units (LU) and Grazing Livestock Units (GLU)</i>	Livestock numbers are converted to livestock units, based on estimated energy requirements, to calculate the total stocking of grazing livestock on the farm.
<i>Dairy other output</i>	Net output from sales/purchases of cows and calves. Includes valuation changes.

DEFINITION OF TERMS AND EXPLANATORY NOTES (Continued)

<i>Paid labour</i>	Casual, part-time and whole time, but not labour deemed as unpaid (below).
<i>Unpaid labour (not including farmer and spouse)</i>	Unpaid labour or labour receiving less remuneration than the market rate. Unpaid labour is not included in profit after rent and finance.
<i>Land expenses</i>	Repairs to building and land resources e.g. hedges, fences, walls, ditches and gates. Also includes water costs.
<i>Finance</i>	Includes bank charges, interest and lease/hire purchase interest. No capital repayments included.
<i>Net milk quota leased</i>	Value of leased-out less leased-in milk quota.
Gross Margin Data	On a per head basis. Calculated by subtracting the variable costs from the relevant output.
<i>Other livestock costs</i>	Purchased bedding materials, sales commission and other costs incurred specifically for livestock enterprises.
<i>Forage variable costs / Forage</i>	Includes other crop costs for forage, fertilisers, forage contracting and grass keep.
Production Costs Data	Calculated by dividing all variable and overhead costs by kilograms of meat produced (in liveweight terms). Overheads allocated on livestock unit basis after share for any arable and/or miscellaneous income enterprises have been deducted. Ranked by net margin.
<i>Herd/flock replacement</i>	Breeding livestock valuation change less culls, plus breeding stock purchases.
<i>Power and machinery</i>	Includes machinery repairs, fuel, other contracting and machinery depreciation.
<i>Buildings</i>	Land expenses and building depreciation.
<i>Net margin</i>	Output less input/costs for enterprise.

WHOLE FARM DATA

Number of farms : 128

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	23297	182	231
Sheep	27611	216	290
Crops and forage	1245	10	18
Single Payment Scheme	30203	236	288
Tir Mynydd	4203	33	37
Indirect subsidies	5016	39	52
Miscellaneous income	3642	28	53
TOTAL OUTPUTS	95217	744	969
INPUTS			
Feeds	13589	106	113
Tack and grass keep	4513	35	42
Veterinary and medicines	3843	30	34
Other livestock costs	5206	41	49
Fertilisers	5572	44	48
Other crop costs	1099	9	12
Allocatable contracting	3005	24	33
TOTAL VARIABLE COSTS	36827	289	331
Paid labour	3514	27	31
Other contracting / machinery hire	613	5	6
Fuel and repairs	7957	62	68
Machinery depreciation	8292	65	69
General farming costs	7517	59	66
Land expenses	3417	27	30
Buildings depreciation	3501	27	33
TOTAL OVERHEAD COSTS	34811	272	303
TOTAL INPUTS	71638	561	634
PROFIT BEFORE RENT AND FINANCE	23579	183	335
Rent	3236	25	11
Finance	4018	31	37
PROFIT AFTER RENT AND FINANCE	16325	127	287
Unpaid Labour	5338	42	59

WHOLE FARM DATA

(Continued)

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	81	12	35
TOTAL ASSETS	658713	200286	720094
TOTAL EXTERNAL LIABILITIES	58769	28041	61461
NET WORTH	599944	172245	658633
Owner equity (%)	91	86	91

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland	114.38	110.85
Cereals and other crops	1.69	2.95
Rough grazing, fallow, woods etc.	40.50	47.13
TOTAL AREA (actual)	156.57	160.93
TOTAL AREA (effective)	127.82	124.65

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	49	51
Other cattle	86	93
Breeding sheep	713	811
Other sheep	449	545

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared per ewe (numbers)	1.19	1.26
Finished lamb sales per ewe (numbers)	0.89	0.92
Finished lamb sales £ per head	40.82	42.28
Calves reared per cow (numbers)	0.88	0.90
Finished cattle sales £ per head	639	673
Store cattle sales £ per head	480	518
Stocking rate (glu/eff. ha.)	1.18	1.33

WHOLE FARM DATA

Number of farms : 130

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	10208	67	82
Sheep	34075	223	304
Crops and forage	517	3	3
Single Payment Scheme	30162	197	236
Tir Mynydd	5827	38	44
Indirect subsidies	7888	52	70
Miscellaneous income	3794	25	41
TOTAL OUTPUTS	92471	605	780
INPUTS			
Feeds	11705	77	80
Tack and grass keep	6204	41	56
Veterinary and medicines	3527	23	24
Other livestock costs	4106	27	32
Fertilisers	4814	32	29
Other crop costs	1005	7	7
Allocatable contracting	2443	16	19
TOTAL VARIABLE COSTS	33804	223	247
Paid labour	3057	20	27
Other contracting / machinery hire	408	3	3
Fuel and repairs	7701	50	48
Machinery depreciation	7623	50	51
General farming costs	6970	46	45
Land expenses	3098	20	21
Buildings depreciation	3238	21	16
TOTAL OVERHEAD COSTS	32095	210	211
TOTAL INPUTS	65899	433	458
PROFIT BEFORE RENT AND FINANCE	26572	172	322
Rent	2947	19	27
Finance	4505	29	25
PROFIT AFTER RENT AND FINANCE	19120	124	270
Unpaid Labour	5511	36	42

WHOLE FARM DATA

(Continued)

	Owned	Tenant	Mixed
	£/farm	£/farm	£/farm
BALANCE SHEET			
Number of farms by tenure type	79	7	44
TOTAL ASSETS	669078	222873	503614
TOTAL EXTERNAL LIABILITIES	57815	55872	68297
NET WORTH	611263	167001	435317
Owner equity (%)	91	75	86

	All farms	Top third
	Hectares	Hectares
PHYSICAL DATA		
LAND AREA		
Grassland	125.52	118.96
Cereals and other crops	1.00	1.34
Rough grazing, fallow, woods etc.	91.41	76.29
TOTAL AREA (actual)	217.93	196.59
TOTAL AREA (effective)	152.72	143.48

	All farms	Top third
	Numbers	Numbers
LIVESTOCK		
Suckler cows	20	25
Other cattle	39	41
Breeding sheep	1138	1251
Other sheep	649	748

	All farms	Top third
PERFORMANCE INDICATORS		
Lambs reared per ewe (numbers)	1.07	1.08
Finished lamb sales per ewe (numbers)	0.75	0.70
Finished lamb sales £ per head	35.62	36.38
Calves reared per cow (numbers)	0.88	0.89
Finished cattle sales £ per head	666	645
Store cattle sales £ per head	461	482
Stocking rate (glu/eff. ha.)	0.91	1.06

UPLAND CATTLE AND SHEEP FARMS

2006/07

WHOLE FARM DATA

Number of farms : 95

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	26094	249	360
Sheep	28288	270	314
Crops and forage	3551	34	49
Single Payment Scheme	24207	231	255
Tir Mynydd	2080	20	19
Indirect subsidies	2600	25	19
Miscellaneous income	4716	45	50
TOTAL OUTPUTS	91536	874	1066
INPUTS			
Feeds	11900	114	116
Tack and grass keep	2854	27	25
Veterinary and medicines	3189	30	35
Other livestock costs	5282	50	52
Fertilisers	5886	56	69
Other crop costs	1369	13	12
Allocatable contracting	3337	32	32
TOTAL VARIABLE COSTS	33817	322	341
Paid labour	2501	24	23
Other contracting / machinery hire	702	7	6
Fuel and repairs	7084	68	71
Machinery depreciation	7197	69	70
General farming costs	6857	65	62
Land expenses	3701	35	42
Buildings depreciation	3396	32	37
TOTAL OVERHEAD COSTS	31438	300	311
TOTAL INPUTS	65255	622	652
PROFIT BEFORE RENT AND FINANCE	26281	252	414
Rent	3116	30	22
Finance	3221	31	15
PROFIT AFTER RENT AND FINANCE	19944	191	377
Unpaid Labour	4862	46	52

WHOLE FARM DATA

(Continued)

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	56	6	33
TOTAL ASSETS	655964	202363	595602
TOTAL EXTERNAL LIABILITIES	47120	34933	32249
NET WORTH	608844	167430	563353
Owner equity (%)	93	83	95

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland	97.60	97.21
Cereals and other crops	4.88	5.00
Rough grazing, fallow, woods etc.	7.87	12.00
TOTAL AREA (actual)	110.35	114.21
TOTAL AREA (effective)	104.76	106.81

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	35	37
Other cattle	88	104
Breeding sheep	552	520
Other sheep	373	438

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared per ewe (numbers)	1.30	1.46
Finished lamb sales per ewe (numbers)	1.30	1.43
Finished lamb sales £ per head	44.63	48.45
Calves reared per cow (numbers)	0.92	0.95
Finished cattle sales £ per head	658	678
Store cattle sales £ per head	481	486
Stocking rate (glu/eff. ha.)	1.34	1.46

WHOLE FARM DATA

Number of farms : 55

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	21273	240	383
Sheep	17425	197	259
Crops and forage	6338	71	98
Single Payment Scheme	19221	217	285
Indirect subsidies	2511	28	36
Miscellaneous income	5146	58	84
TOTAL OUTPUTS	71914	811	1145
INPUTS			
Feeds	7766	88	118
Tack and grass keep	1439	16	30
Veterinary and medicines	2132	24	23
Other livestock costs	4314	49	72
Fertilisers	4436	50	63
Other crop costs	1845	21	25
Allocatable contracting	2399	27	31
TOTAL VARIABLE COSTS	24331	275	362
Paid labour	1753	20	8
Other contracting / machinery hire	888	10	10
Fuel and repairs	6500	73	85
Machinery depreciation	6495	73	87
General farming costs	6567	74	89
Land expenses	2944	33	37
Buildings depreciation	1804	20	25
TOTAL OVERHEAD COSTS	26951	303	341
TOTAL INPUTS	51282	578	703
PROFIT BEFORE RENT AND FINANCE	20632	233	442
Rent	4307	49	29
Finance	3359	38	23
PROFIT AFTER RENT AND FINANCE	12966	146	390
Unpaid Labour	4503	51	77

WHOLE FARM DATA

(Continued)

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	31	7	17
TOTAL ASSETS	578448	129748	536585
TOTAL EXTERNAL LIABILITIES	40927	41400	45392
NET WORTH	537521	88348	491193
Owner equity (%)	93	68	92

PHYSICAL DATA

	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland	75.77	60.55
Cereals and other crops	8.78	7.41
Rough grazing, fallow, woods etc.	8.77	5.39
TOTAL AREA (actual)	93.32	73.35
TOTAL AREA (effective)	88.65	69.28

LIVESTOCK

	All farms	Top third
	Numbers	Numbers
Suckler cows	26	22
Other cattle	89	110
Breeding sheep	351	263
Other sheep	261	271

PERFORMANCE INDICATORS

	All farms	Top third
Lambs reared per ewe (numbers)	1.27	1.36
Finished lamb sales per ewe (numbers)	1.36	1.68
Finished lamb sales £ per head	50.63	55.53
Calves reared per cow (numbers)	0.94	0.95
Finished cattle sales £ per head	680	705
Store cattle sales £ per head	496	592
Stocking rate (glu/eff. ha.)	1.35	1.72

WHOLE FARM DATA

Number of farms : 69

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Dairy - milk	120562	1377	1899
- other output	1952	22	18
- net milk quota leased	-9	0	0
Other cattle	17189	196	256
Sheep	7090	81	70
Crops and forage	1843	21	18
Single Payment Scheme	23211	265	318
Indirect subsidies	2648	30	33
Miscellaneous income	4008	46	68
TOTAL OUTPUTS	178494	2038	2680
INPUTS			
Feeds	37802	432	528
Tack and grass keep	4658	53	78
Veterinary and medicines	5172	59	62
Other livestock costs	12084	138	159
Fertilisers	9784	112	125
Other crop costs	2176	25	27
Allocatable contracting	7036	80	79
TOTAL VARIABLE COSTS	78712	899	1058
Paid labour	7509	86	98
Other contracting / machinery hire	1263	14	17
Fuel and repairs	11537	132	146
Machinery depreciation	10165	116	140
General farming costs	10862	124	133
Land expenses	5889	67	79
Buildings depreciation	7524	86	107
TOTAL OVERHEAD COSTS	54749	625	720
TOTAL INPUTS	133461	1524	1778
PROFIT BEFORE RENT AND FINANCE	45033	514	902
Rent	2964	34	27
Finance	7641	87	52
PROFIT AFTER RENT AND FINANCE	34428	393	823
Unpaid Labour	6741	77	121

WHOLE FARM DATA

(Continued)

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	43	3	23
TOTAL ASSETS	711344	-	567426
TOTAL EXTERNAL LIABILITIES	126988	-	88456
NET WORTH	584356	-	478970
Owner equity (%)	82	-	84

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland	80.09	77.36
Cereals and other crops	4.67	3.76
Rough grazing, fallow, woods etc.	10.26	6.52
TOTAL AREA (actual)	95.02	87.64
TOTAL AREA (effective)	87.55	82.04

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Dairy cattle	102	126
Suckler cows	2	2
Other cattle	105	119
Breeding sheep	170	101
Other sheep	113	87

PERFORMANCE INDICATORS	All farms	Top third
Milk yield per cow (litres)	6717	7077
Margin over concentrates (£ per cow)	894	964
Milk disposal (£ per cow)	1178	1233
Milk price (pence per litre)	17.54	17.42
Stocking rate (glu/eff. ha.)	2.10	2.54

WHOLE FARM DATA

Number of farms : 59

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Dairy - milk	154951	1511	1975
- other output	-391	-4	76
- net milk quota leased	0	0	0
Other cattle	22656	221	246
Sheep	2112	21	11
Crops and forage	5114	50	78
Single Payment Scheme	28135	274	350
Indirect subsidies	2500	24	31
Miscellaneous income	5468	53	45
TOTAL OUTPUTS	220545	2150	2812
INPUTS			
Feeds	45246	441	555
Tack and grass keep	6479	63	74
Veterinary and medicines	6936	68	77
Other livestock costs	14011	137	144
Fertilisers	9548	93	107
Other crop costs	4469	44	37
Allocatable contracting	9661	94	92
TOTAL VARIABLE COSTS	96350	940	1086
Paid labour	15300	149	169
Other contracting / machinery hire	1742	17	20
Fuel and repairs	14978	146	149
Machinery depreciation	10867	106	126
General farming costs	13653	133	141
Land expenses	7796	76	106
Buildings depreciation	9042	88	95
TOTAL OVERHEAD COSTS	73378	715	806
TOTAL INPUTS	169728	1655	1892
PROFIT BEFORE RENT AND FINANCE	50817	495	920
Rent	4582	45	16
Finance	12674	124	66
PROFIT AFTER RENT AND FINANCE	33561	326	838
Unpaid Labour	8632	84	122

WHOLE FARM DATA

(Continued)

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	34	7	18
TOTAL ASSETS	942234	155895	789848
TOTAL EXTERNAL LIABILITIES	171345	39210	263449
NET WORTH	770889	116685	526399
Owner equity (%)	82	75	67

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland	88.14	70.09
Cereals and other crops	13.09	10.28
Rough grazing, fallow, woods etc.	7.10	7.90
TOTAL AREA (actual)	108.33	88.27
TOTAL AREA (effective)	102.57	81.10

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Dairy cattle	138	121
Suckler cows	1	1
Other cattle	121	116
Breeding sheep	71	76
Other sheep	31	23

PERFORMANCE INDICATORS	All farms	Top third
Milk yield per cow (litres)	6288	7100
Margin over concentrates (£ per cow)	859	1025
Milk disposal (£ per cow)	1124	1329
Milk price (pence per litre)	17.88	18.72
Stocking rate (glu/eff. ha.)	2.19	2.50

GROSS MARGINS : HILL SHEEP

	All flocks	Top third
Number of flocks in sample	227	76
Flock size (ewes and ewe lambs put to ram)	844	668
Lambs reared per ewe	1.13	1.36
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	1.86	1.93
- finished	31.57	47.75
Other sheep sales	7.05	9.61
Wool sales	0.96	1.13
Sheep compensation – Chernobyl	0.10	0.02
Valuation change	-1.00	-1.20
Sheep purchases	-3.43	-4.56
Total enterprise output	37.11	54.68
VARIABLE COSTS		
Concentrates and bulk feed	8.88	9.70
Stock keep	2.89	1.54
Veterinary and medicines	3.03	3.55
Other livestock costs	2.99	3.67
Allocatable contracting	0.73	0.90
Forage variable costs	7.36	8.14
Total variable costs	25.88	27.50
Gross margin	11.23	27.18

GROSS MARGINS : UPLAND SHEEP

	All flocks	Top third
Number of flocks in sample	90	30
Flock size (ewes and ewe lambs put to ram)	566	521
Lambs reared per ewe	1.32	1.53
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	0.58	0.04
- finished	56.22	76.95
Other sheep sales	7.86	9.41
Wool sales	1.08	1.11
Sheep compensation – Chernobyl	0.01	0.00
Valuation change	-1.14	0.63
Sheep purchases	-8.21	-10.25
Total enterprise output	56.40	77.89
VARIABLE COSTS		
Concentrates and bulk feed	10.92	10.13
Stock keep	0.90	0.37
Veterinary and medicines	3.74	3.75
Other livestock costs	3.87	4.11
Allocatable contracting	1.11	1.10
Forage variable costs	10.31	8.75
Total variable costs	30.85	28.21
Gross margin	25.55	49.68

GROSS MARGINS : LOWLAND SHEEP

	All flocks	Top third
Number of flocks in sample	47	15
Flock size (ewes and ewe lambs put to ram)	430	405
Lambs reared per ewe	1.32	1.60
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	0.95	0.01
- finished	57.38	84.82
Other sheep sales	5.34	5.93
Wool sales	1.22	1.34
Sheep compensation – Chernobyl	0.00	0.00
Valuation change	-0.52	-1.38
Sheep purchases	-8.76	-8.85
Total enterprise output	55.61	81.87
VARIABLE COSTS		
Concentrates and bulk feed	8.69	11.79
Stock keep	0.83	0.40
Veterinary and medicines	3.54	3.99
Other livestock costs	4.57	5.65
Allocatable contracting	0.87	0.75
Forage variable costs	8.84	9.02
Total variable costs	27.34	31.60
Gross margin	28.27	50.27

GROSS MARGINS : LOWLAND SUCKLER COWS

	All herds	Top third
Number of herds in sample	25	9
Average size of herd (breeding cows)	48	39
Calves reared per cow (numbers)	0.93	0.95
Finished cattle sales - £ per head	653	620
Store cattle sales - £ per head	445	466
ENTERPRISE OUTPUT	£ per cow	£ per cow
Calf and store cattle sales	275.15	135.41
Bull and cow sales	56.60	68.07
Finished cattle sales	324.91	563.87
Valuation change	-44.03	-102.15
Cattle purchases	-107.56	-32.51
Total enterprise output	505.07	632.69
VARIABLE COSTS		
Concentrates and bulk feed	99.50	79.59
Veterinary and medicines	22.12	23.01
Other livestock costs	65.50	80.13
Allocatable contracting	1.14	1.62
Forage variable costs	117.03	127.49
Total variable costs	305.29	311.84
Gross margin	199.78	320.85

GROSS MARGINS : UPLAND SUCKLER COWS

	All herds	Top third
Number of herds in sample	44	15
Average size of herd (breeding cows)	55	60
Calves reared per cow (numbers)	0.90	0.95
Finished cattle sales - £ per head	668	702
Store cattle sales - £ per head	476	466
ENTERPRISE OUTPUT	£ per cow	£ per cow
Calf and store cattle sales	327.69	287.27
Bull and cow sales	51.80	52.67
Finished cattle sales	221.82	304.93
Valuation change	1.17	41.43
Cattle purchases	-139.63	-132.64
Total enterprise output	462.85	553.66
VARIABLE COSTS		
Concentrates and bulk feed	102.67	103.37
Veterinary and medicines	27.64	24.88
Other livestock costs	53.55	43.31
Allocatable contracting	3.26	2.25
Forage variable costs	123.98	103.36
Total variable costs	311.10	277.17
Gross margin	151.75	276.49

GROSS MARGINS : HILL SUCKLER COWS

	All herds	Top third
Number of herds in sample	173	58
Average size of herd (breeding cows)	41	36
Calves reared per cow (numbers)	0.89	0.92
Finished cattle sales - £ per head	639	699
Store cattle sales - £ per head	476	511
ENTERPRISE OUTPUT	£ per cow	£ per cow
Calf and store cattle sales	378.82	364.57
Bull and cow sales	53.56	61.18
Finished cattle sales	167.32	278.52
Valuation change	-35.88	-26.61
Cattle purchases	-103.78	-97.91
Total enterprise output	460.04	579.75
VARIABLE COSTS		
Concentrates and bulk feed	149.09	114.64
Veterinary and medicines	28.93	22.77
Other livestock costs	52.39	50.96
Allocatable contracting	3.01	2.36
Forage variable costs	110.27	111.67
Total variable costs	343.69	302.40
Gross margin	116.35	277.35

GROSS MARGINS : HILL AND UPLAND DAIRY

	All herds	Top third
Number of herds in sample	65	22
Average size of herd (dairy cows)	106	123
Average milk yield (litres per cow)	6764	7118
Average milk price (pence per litre)	17.00	17.78
ENTERPRISE OUTPUT	£ per cow	£ per cow
Milk	1149.88	1265.92
Calves	61.53	58.05
Bull and cow sales	78.55	87.13
Net milk quota leased	0.00	0.00
Valuation change	19.28	7.00
Cattle purchases	-141.88	-129.32
Total enterprise output	1167.36	1288.78
VARIABLE COSTS		
Concentrates and bulk feed	287.42	279.49
Veterinary and medicines	38.39	36.41
Other livestock costs	90.41	90.45
Allocatable contracting	15.62	6.53
Forage variable costs	112.05	108.80
Total variable costs	543.89	521.68
Gross margin	623.47	767.10

GROSS MARGINS : LOWLAND DAIRY

	All herds	Top third
Number of herds in sample	53	18
Average size of herd (dairy cows)	137	143
Average milk yield (litres per cow)	6527	7601
Average milk price (pence per litre)	17.91	18.67
ENTERPRISE OUTPUT	£ per cow	£ per cow
Milk	1169.05	1419.32
Calves	60.07	75.62
Bull and cow sales	71.93	73.46
Net milk quota leased	0.00	0.00
Valuation change	13.79	19.28
Cattle purchases	-151.57	-134.46
Total enterprise output	1163.27	1453.22
VARIABLE COSTS		
Concentrates and bulk feed	282.35	339.85
Veterinary and medicines	44.69	49.32
Other livestock costs	87.70	79.72
Allocatable contracting	17.68	12.55
Forage variable costs	104.22	95.88
Total variable costs	536.64	577.32
Gross margin	626.63	875.90

LAMB PRODUCTION COSTS

pence per kg liveweight	All farms	Top third	Bottom third
Number of farms	105	35	35
Feed	24.71	20.68	29.46
Veterinary and medicines	7.11	6.48	7.81
Other livestock costs	10.43	9.67	11.41
Forage	16.74	13.17	18.59
Total variable costs	58.99	50.00	67.27
Flock replacement	13.64	10.02	16.41
Labour	4.93	3.32	6.10
Power and machinery	28.06	21.52	31.39
Buildings	11.14	7.56	13.17
General farm costs	12.02	9.18	13.83
Rent	6.64	4.60	8.57
Finance	5.79	2.61	11.00
Total overhead costs	68.58	48.79	84.06
Total costs	141.21	108.81	167.74
Net Margin	-25.06	14.34	-57.59
Lambs reared percentage	1.32	1.47	1.19
Average size of flock	699	651	852
Average lamb liveweight	38.04	40.47	35.09

MILK PRODUCTION COSTS

pence per litre	All farms	Top third	Bottom third
Number of farms	118	40	40
Feed	4.25	3.84	4.66
Veterinary and medicines	0.63	0.56	0.65
Other livestock costs	1.60	1.42	1.74
Forage	1.58	1.31	1.99
Total variable costs	8.06	7.13	9.04
Herd replacement	0.86	0.46	1.23
Labour	0.58	0.38	0.67
Power and machinery	1.91	1.71	2.22
Buildings	1.10	0.91	1.36
General farm costs	0.97	0.86	1.14
Rent	0.36	0.16	0.37
Finance	0.69	0.27	1.26
Total overhead costs	5.61	4.29	7.02
Total costs	14.53	11.88	17.29
Net Margin	3.67	7.02	0.32
Margin over concentrates	13.50	14.45	12.88
Milk price received	17.46	18.03	17.09

BEEF PRODUCTION COSTS : SUCKLED CALF

pence per kg liveweight	All farms	Top third	Bottom third
Number of farms	49	16	16
Feed	14.73	8.17	23.63
Veterinary and medicines	9.80	6.30	14.06
Other livestock costs	15.83	8.83	24.18
Forage	29.08	24.45	33.91
Total variable costs	69.44	47.75	95.78
Herd replacement	12.50	3.91	26.32
Labour	8.12	4.34	15.90
Power and machinery	45.77	34.81	53.18
Buildings	17.34	10.23	20.45
General farm costs	19.48	16.86	20.72
Rent	6.04	3.47	10.17
Finance	4.85	2.75	9.21
Total overhead costs	101.60	72.46	129.63
Total costs	183.54	124.12	251.73
Net Margin	-78.49	-18.78	-147.97

Suckled calf production covers suckler cow and calf costs up to weaning.

BEEF PRODUCTION COSTS : FINISHING

pence per kg liveweight	All farms	Top third	Bottom third
Number of farms	26	9	9
Feed	27.81	22.08	30.92
Veterinary and medicines	3.40	2.81	3.57
Other livestock costs	17.33	12.39	21.26
Forage	25.61	18.18	36.12
Total variable costs	74.15	55.46	91.87
Labour	8.34	3.72	13.89
Power and machinery	36.05	25.89	50.25
Buildings	14.90	8.35	23.90
General farm costs	16.54	8.36	17.87
Rent	5.28	3.40	8.57
Finance	5.76	1.50	10.56
Total overhead costs	86.87	51.22	125.04
Total costs	161.02	106.68	216.91
Net Margin	-55.11	-0.89	-115.39

Finishing enterprises include those purchasing young and forward store cattle, as well as those finishing weaned home-bred calves.

Hybu Cig Cymru – Meat Promotion Wales

Hybu Cig Cymru – Meat Promotion Wales (HCC) is the sole strategic body for the promotion and development of the Welsh red meat industry and its mission is to develop profitable and sustainable markets for the benefit of all stakeholders in the supply chain in Wales.

HCC represents the interests of the industry as a whole through a programme of activities to add value, inform and raise awareness of our excellent products.

Three areas of activity underpin HCC's work on behalf of stakeholders in Wales:

Industry Development – Improving the quality and cost-effectiveness of primary production and strengthening the red meat supply chain. This is achieved by providing information as well as advancing and promoting the use of technology within the industry. HCC also manages a number of projects that include the Farming Connect Sheep and Beef Development Programme, the Welsh Beef Quality Improvement Project and the Woodchip for Livestock Bedding Project.

Marketing – Promoting Welsh Lamb and Welsh Beef and red meat products in Wales, the UK and abroad. Developing and strengthening business opportunities for Welsh red meat exporters by emphasising the Protected Geographical Indication (PGI) credentials of our Welsh Lamb and Welsh Beef. At home, working with retailers, farmers markets and foodservice operators and undertaking regular promotional programmes for Welsh Lamb and Welsh Beef.

Communication – Ensuring that up to date information relating to Welsh red meat is readily available to farmers and to others in the Welsh supply chain including consumers.

For further information on any of the above, please contact:

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