

Prifysgol
Aberystwyth
University

Wales Farm Income Booklet
2007/08 Results

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Foreword

In early 2008 Aberystwyth University welcomed the creation of the Institute of Biological, Environmental and Rural Sciences (IBERS). IBERS was formed by the merger of two university departments – the Institutes of Biological Science and Rural Sciences – and the Institute of Grassland and Environmental Research (IGER), to create the UK's largest Institute in its field.

Aberystwyth University has been associated with land-based studies since 1878, and has established an enviable reputation for teaching and research. For three quarters of a century Aberystwyth University has also conducted the Farm Business Survey (FBS). The survey, recognised as the most authoritative of the financial position and economic performance of farms, serves two purposes. Firstly, it provides policy-makers with information on the economic state of the industry and secondly, it provides valuable comparative information for assessing the performance of individual farms.

The data in this booklet are based on information collected 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 Farming Connect for the sponsorship of this booklet.

The Farm Business Survey IBERS

Introduction

Farm profitability is central to any farm business, although farmers will have many other business and personal objectives. 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.

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)

A profit and loss account and summarised balance sheet for six different types of farm are presented, showing 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 latter being allocated on a livestock unit basis), the producer is better able to determine both the competitiveness and efficiency of the enterprise.

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 if applicable.
<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, and any other miscellaneous income. 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.

<i>Paid labour</i>	Includes actual paid casual, part-time and whole-time labour.
<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 direct (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 expense and building depreciation.
<i>Net margin</i>	Output less input/costs for enterprise.

WHOLE FARM DATA

Number of farms : 122

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	26227	200	246
Sheep	25593	195	251
Crops and forage	1847	14	23
Single Payment Scheme	31112	238	281
Tir Mynydd	7010	54	60
Indirect subsidies	5071	39	67
Miscellaneous income	4519	35	53
TOTAL OUTPUTS	101379	775	981
INPUTS			
Feeds	13848	106	111
Tack and grass keep	4734	36	35
Veterinary and medicines	4027	31	32
Other livestock costs	5027	38	44
Fertilisers	5763	44	39
Other crop costs	1215	9	12
Allocatable contracting	3235	25	27
TOTAL VARIABLE COSTS	37849	289	300
Paid labour	3593	27	21
Other contracting / machinery hire	504	4	4
Fuel and repairs	8312	63	65
Machinery depreciation	8486	65	75
General farming costs	7236	55	61
Land expenses	3027	23	25
Buildings depreciation	3819	29	34
TOTAL OVERHEAD COSTS	34977	266	285
TOTAL INPUTS	72826	555	585
PROFIT BEFORE RENT AND FINANCE	28553	220	396
Rent	3218	25	16
Finance	4064	31	33
PROFIT AFTER RENT AND FINANCE	21271	164	347
Unpaid Labour	5560	42	38

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	78	11	33
TOTAL ASSETS	746119	206857	801371
TOTAL EXTERNAL LIABILITIES	55993	34318	56076
NET WORTH	690126	172539	745295
Owner equity (%)	92	83	93

	All farms	Top third
PHYSICAL DATA	Hectares	Hectares
LAND AREA		
Grassland	117.15	102.65
Cereals and other crops	1.92	2.63
Rough grazing, fallow, woods etc.	41.43	49.17
TOTAL AREA (actual)	160.50	154.45
TOTAL AREA (effective)	130.98	116.79

	All farms	Top third
LIVESTOCK	Numbers	Numbers
Suckler cows	49	45
Other cattle	89	92
Breeding sheep	707	672
Other sheep	444	442

	All farms	Top third
PERFORMANCE INDICATORS		
Lambs reared per ewe (numbers)	1.19	1.29
Finished lamb sales per ewe (numbers)	0.93	1.01
Finished lamb sales £ per head	39.12	41.79
Calves reared per cow (numbers)	0.90	0.89
Finished cattle sales £ per head	682	741
Store cattle sales £ per head	504	554
Stocking rate (glu/eff. ha.)	1.15	1.27

WHOLE FARM DATA

Number of farms : 121

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	9568	66	94
Sheep	27306	188	262
Crops and forage	590	4	9
Single Payment Scheme	28853	199	242
Tir Mynydd	9317	64	76
Indirect subsidies	6788	47	56
Miscellaneous income	3549	24	34
TOTAL OUTPUTS	85971	592	773
INPUTS			
Feeds	9445	65	72
Tack and grass keep	4128	28	37
Veterinary and medicines	3358	23	24
Other livestock costs	3701	26	30
Fertilisers	4154	29	27
Other crop costs	890	6	6
Allocatable contracting	2393	16	20
TOTAL VARIABLE COSTS	28069	193	216
Paid labour	2493	17	13
Other contracting / machinery hire	505	3	4
Fuel and repairs	7417	51	52
Machinery depreciation	7642	53	54
General farming costs	6684	46	54
Land expenses	2467	17	16
Buildings depreciation	3340	23	17
TOTAL OVERHEAD COSTS	30548	210	210
TOTAL INPUTS	58617	403	426
PROFIT BEFORE RENT AND FINANCE	27354	189	347
Rent	2249	16	11
Finance	4930	34	35
PROFIT AFTER RENT AND FINANCE	20175	139	301
Unpaid Labour	4576	32	22

	Owned £/farm	Tenant £/farm	Mixed £/farm
BALANCE SHEET			
Number of farms by tenure type	77	5	39
TOTAL ASSETS	749934	149153	534811
TOTAL EXTERNAL LIABILITIES	66513	53975	65275

NET WORTH	683421	95178	469536
Owner equity (%)	91	64	88

	All farms Hectares	Top third Hectares
PHYSICAL DATA		
LAND AREA		
Grassland	120.52	91.80
Cereals and other crops	0.85	0.87
Rough grazing, fallow, woods etc.	86.18	38.63
TOTAL AREA (actual)	207.55	131.30
TOTAL AREA (effective)	145.06	104.99

	All farms Numbers	Top third Numbers
LIVESTOCK		
Suckler cows	18	19
Other cattle	35	32
Breeding sheep	1040	867
Other sheep	581	519

	All farms	Top third
PERFORMANCE INDICATORS		
Lambs reared per ewe (numbers)	1.08	1.10
Finished lamb sales per ewe (numbers)	0.78	0.82
Finished lamb sales £ per head	34.59	37.46
Calves reared per cow (numbers)	0.88	0.90
Finished cattle sales £ per head	715	679
Store cattle sales £ per head	486	504
Stocking rate (glu/eff. ha.)	0.87	1.03

WHOLE FARM DATA

Number of farms : 95

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	26057	246	364
Sheep	26399	249	315
Crops and forage	3841	36	58
Single Payment Scheme	24437	231	264
Tir Mynydd	3206	30	29
Indirect subsidies	2285	22	23
Miscellaneous income	7007	66	135
TOTAL OUTPUTS	93232	880	1188
INPUTS			
Feeds	12140	115	142
Tack and grass keep	2599	25	27
Veterinary and medicines	3257	31	35
Other livestock costs	5016	47	55
Fertilisers	5714	54	65
Other crop costs	1425	13	16
Allocatable contracting	3711	35	42
TOTAL VARIABLE COSTS	33862	320	382
Paid labour	2572	24	18
Other contracting / machinery hire	590	6	5
Fuel and repairs	7347	69	86
Machinery depreciation	7668	72	83
General farming costs	6614	62	64
Land expenses	3025	29	32
Buildings depreciation	3953	37	46
TOTAL OVERHEAD COSTS	31769	299	334
TOTAL INPUTS	65631	619	716
PROFIT BEFORE RENT AND FINANCE	27601	261	472
Rent	2988	28	22
Finance	3617	34	34
PROFIT AFTER RENT AND FINANCE	20996	199	416
Unpaid Labour	4451	42	71

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	57	6	32
TOTAL ASSETS	704738	-	616573
TOTAL EXTERNAL LIABILITIES	52995	-	44036
NET WORTH	651743	-	572537
Owner equity (%)	92	-	93

	All farms	Top third
PHYSICAL DATA	Hectares	Hectares
LAND AREA		
Grassland	100.47	104.24
Cereals and other crops	3.81	4.90
Rough grazing, fallow, woods etc.	7.23	5.23
TOTAL AREA (actual)	111.51	114.37
TOTAL AREA (effective)	105.93	110.38

	All farms	Top third
LIVESTOCK	Numbers	Numbers
Suckler cows	33	40
Other cattle	89	118
Breeding sheep	544	573
Other sheep	379	434

	All farms	Top third
PERFORMANCE INDICATORS		
Lambs reared per ewe (numbers)	1.32	1.45
Finished lamb sales per ewe (numbers)	1.27	1.35
Finished lamb sales £ per head	43.47	49.39
Calves reared per cow (numbers)	0.91	0.92
Finished cattle sales £ per head	676	690
Store cattle sales £ per head	520	583
Stocking rate (glu/eff. ha.)	1.29	1.51

WHOLE FARM DATA

Number of farms : 51

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	24321	269	464
Sheep	16110	178	290
Crops and forage	10204	113	100
Single Payment Scheme	20562	228	298
Indirect subsidies	2851	32	49
Miscellaneous income	6044	67	111
TOTAL OUTPUTS	80092	887	1312
INPUTS			
Feeds	9740	108	142
Tack and grass keep	1339	15	37
Veterinary and medicines	2337	26	23
Other livestock costs	4287	47	64
Fertilisers	5055	56	60
Other crop costs	2461	27	25
Allocatable contracting	3407	38	44
TOTAL VARIABLE COSTS	28626	317	395
Paid labour	1731	19	11
Other contracting / machinery hire	445	5	5
Fuel and repairs	7877	87	99
Machinery depreciation	7466	83	78
General farming costs	6833	76	94
Land expenses	3281	36	46
Buildings depreciation	1916	21	31
TOTAL OVERHEAD COSTS	29549	327	364
TOTAL INPUTS	58175	644	759
PROFIT BEFORE RENT AND FINANCE	21917	243	553
Rent	4494	50	49
Finance	3028	34	25
PROFIT AFTER RENT AND FINANCE	14395	159	479
Unpaid Labour	4895	54	75

BALANCE SHEET	Owned	Tenant	Mixed
	£/farm	£/farm	£/farm
Number of farms by tenure type	29	7	15
TOTAL ASSETS	670702	164938	506099
TOTAL EXTERNAL LIABILITIES	34847	45134	48959
NET WORTH	635855	119804	457140
Owner equity (%)	95	73	90

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland	76.41	55.58
Cereals and other crops	10.03	6.77
Rough grazing, fallow, woods etc.	8.31	5.70
TOTAL AREA (actual)	94.75	68.05
TOTAL AREA (effective)	90.27	63.55

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	26	23
Other cattle	96	104
Breeding sheep	340	301
Other sheep	260	264

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared per ewe (numbers)	1.33	1.38
Finished lamb sales per ewe (numbers)	1.35	1.47
Finished lamb sales £ per head	46.63	49.10
Calves reared per cow (numbers)	0.87	0.87
Finished cattle sales £ per head	710	711
Store cattle sales £ per head	558	731
Stocking rate (glu/eff. ha.)	1.38	1.81

WHOLE FARM DATA

Number of farms : 66

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Dairy - milk	143076	1637	2195
- other output	2391	27	105
- net milk quota leased	-9	0	0
Other cattle	21431	245	342
Sheep	5528	63	62
Crops and forage	3027	35	34
Single Payment Scheme	22791	261	306
Indirect subsidies	3067	35	27
Miscellaneous income	4203	48	91
TOTAL OUTPUTS	205505	2351	3162
INPUTS			
Feeds	43191	494	622
Tack and grass keep	4411	50	78
Veterinary and medicines	5691	65	77
Other livestock costs	12240	140	146
Fertilisers	10074	115	118
Other crop costs	2578	29	26
Allocatable contracting	7796	89	82
TOTAL VARIABLE COSTS	85981	982	1149
Paid labour	7982	91	69
Other contracting / machinery hire	1102	13	11
Fuel and repairs	11733	134	149
Machinery depreciation	11116	127	150
General farming costs	10997	126	132
Land expenses	6487	74	85
Buildings depreciation	7838	90	125
TOTAL OVERHEAD COSTS	57255	655	721
TOTAL INPUTS	143236	1637	1870
PROFIT BEFORE RENT AND FINANCE	62269	714	1292
Rent	2726	31	26
Finance	8620	99	53
PROFIT AFTER RENT AND FINANCE	50923	584	1213
Unpaid Labour	7748	89	140

	Owned £/farm	Tenant £/farm	Mixed £/farm
BALANCE SHEET			
Number of farms by tenure type	45	1	20
TOTAL ASSETS	775537	-	535458
TOTAL EXTERNAL LIABILITIES	132039	-	106666
NET WORTH	643498	-	428792
Owner equity (%)	83	-	80

	All farms Hectares	Top third Hectares
PHYSICAL DATA		
LAND AREA		
Grassland	78.32	72.24
Cereals and other crops	5.97	3.97
Rough grazing, fallow, woods etc.	11.32	6.30
TOTAL AREA (actual)	95.61	82.51
TOTAL AREA (effective)	87.40	77.14

	All farms Numbers	Top third Numbers
LIVESTOCK		
Dairy cattle	102	115
Suckler cows	2	3
Other cattle	106	119
Breeding sheep	170	124
Other sheep	106	90

	All farms	Top third
PERFORMANCE INDICATORS		
Milk yield per cow (litres)	6586	7024
Margin over concentrates (£ per cow)	1076	1141
Milk disposal (£ per cow)	1404	1478
Milk price (pence per litre)	21.33	21.04
Stocking rate (glu/eff. ha.)	2.13	2.61

WHOLE FARM DATA

Number of farms : 57

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Dairy - milk	204781	1864	2657
- other output	476	4	38
- net milk quota leased	0	0	0
Other cattle	26437	241	306
Sheep	1684	15	17
Crops and forage	7123	65	49
Single Payment Scheme	28568	260	324
Indirect subsidies	2616	24	38
Miscellaneous income	7406	67	28
TOTAL OUTPUTS	279091	2540	3457
INPUTS			
Feeds	62435	568	704
Tack and grass keep	7633	69	100
Veterinary and medicines	8354	76	91
Other livestock costs	16108	147	186
Fertilisers	13208	120	148
Other crop costs	5305	48	43
Allocatable contracting	10997	100	127
TOTAL VARIABLE COSTS	124040	1128	1399
Paid labour	16176	147	166
Other contracting / machinery hire	2197	20	23
Fuel and repairs	17565	160	148
Machinery depreciation	12593	115	124
General farming costs	14540	132	145
Land expenses	8588	78	91
Buildings depreciation	10191	93	106
TOTAL OVERHEAD COSTS	81850	745	803
TOTAL INPUTS	205890	1873	2202
PROFIT BEFORE RENT AND FINANCE	73201	667	1255
Rent	5116	47	61
Finance	13058	119	64
PROFIT AFTER RENT AND FINANCE	55027	501	1130
Unpaid Labour	9428	86	132

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	29	7	21
TOTAL ASSETS	1039912	165181	962918
TOTAL EXTERNAL LIABILITIES	183623	41736	271306
NET WORTH	856289	123445	691612
Owner equity (%)	82	75	72

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland	92.87	79.39
Cereals and other crops	15.80	8.09
Rough grazing, fallow, woods etc.	6.71	8.65
TOTAL AREA (actual)	115.38	96.13
TOTAL AREA (effective)	109.87	88.14

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Dairy cattle	149	148
Suckler cows	1	0
Other cattle	119	112
Breeding sheep	62	66
Other sheep	29	42

PERFORMANCE INDICATORS	All farms	Top third
Milk yield per cow (litres)	6449	7065
Margin over concentrates (£ per cow)	1031	1230
Milk disposal (£ per cow)	1371	1580
Milk price (pence per litre)	21.26	22.37
Stocking rate (glu/eff. ha.)	2.12	2.54

GROSS MARGINS : HILL SHEEP

	All flocks	Top third
Number of flocks in sample	225	75
Flock size (ewes and ewe lambs put to ram)	793	704
Lambs reared per ewe	1.13	1.30
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	1.54	0.73
- finished	30.44	46.50
Other sheep sales	6.20	6.64
Wool sales	0.30	0.34
Sheep compensation - Chernobyl	0.07	0.02
Valuation change	-1.09	-0.10
Sheep purchases	-2.58	-3.71
TOTAL ENTERPRISE OUTPUT	34.88	50.42
VARIABLE COSTS		
Concentrates and bulk feed	8.84	9.72
Stock keep	2.67	1.54
Veterinary and medicines	3.40	3.55
Other livestock costs	2.88	3.53
Allocatable contracting	0.79	0.93
Forage variable costs	8.41	7.79
TOTAL VARIABLE OUTPUT	26.99	27.06
GROSS MARGIN	7.89	23.36

GROSS MARGINS : UPLAND SHEEP

	All flocks	Top third
Number of flocks in sample	94	31
Flock size (ewes and ewe lambs put to ram)	530	518
Lambs reared per ewe	1.32	1.52
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	0.68	0.15
- finished	53.15	71.69
Other sheep sales	6.43	8.91
Wool sales	0.35	0.30
Sheep compensation - Chernobyl	0.00	0.00
Valuation change	-0.37	-1.34
Sheep purchases	-6.82	-7.33
TOTAL ENTERPRISE OUTPUT	53.42	72.38
VARIABLE COSTS		
Concentrates and bulk feed	11.76	11.46
Stock keep	0.96	0.59
Veterinary and medicines	3.38	3.15
Other livestock costs	4.16	4.33
Allocatable contracting	0.99	0.98
Forage variable costs	10.73	9.04
TOTAL VARIABLE OUTPUT	31.98	29.55
GROSS MARGIN	21.44	42.83

GROSS MARGINS : LOWLAND SHEEP

	All flocks	Top third
Number of flocks in sample	46	15
Flock size (ewes and ewe lambs put to ram)	420	447
Lambs reared per ewe	1.31	1.52
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	0.17	0.00
- finished	55.06	70.05
Other sheep sales	5.72	7.04
Wool sales	0.35	0.40
Sheep compensation - Chernobyl	0.00	0.00
Valuation change	-2.46	-1.62
Sheep purchases	-5.43	-5.47
TOTAL ENTERPRISE OUTPUT	53.41	70.40
VARIABLE COSTS		
Concentrates and bulk feed	10.45	10.63
Stock keep	0.92	1.17
Veterinary and medicines	3.79	3.75
Other livestock costs	5.17	6.42
Allocatable contracting	0.97	0.76
Forage variable costs	9.75	9.20
TOTAL VARIABLE OUTPUT	31.05	31.93
GROSS MARGIN	22.36	38.47

GROSS MARGINS : LOWLAND SUCKLER COWS

	All herds	Top third
Number of herds in sample	19	6
Average size of herd (breeding cows)	55	61
Calves reared per cow (numbers)	0.87	0.90
Finished cattle sales - £ per head	681	728
Store cattle sales - £ per head	486	494
ENTERPRISE OUTPUT	£ per cow	£ per cow
Calf and store cattle sales	333.37	399.62
Bull and cow sales	108.21	215.46
Finished cattle sales	302.31	283.01
Valuation change	20.08	84.18
Cattle purchases	-210.98	-330.02
TOTAL ENTERPRISE OUTPUT	552.99	652.25
VARIABLE COSTS		
Concentrates and bulk feed	94.20	70.92
Veterinary and medicines	28.58	18.12
Other livestock costs	63.31	57.62
Allocatable contracting	3.95	0.99
Forage variable costs	166.82	177.42
TOTAL VARIABLE OUTPUT	356.86	325.07
GROSS MARGIN	196.13	327.18

GROSS MARGINS : UPLAND SUCKLER COWS

	All herds	Top third
Number of herds in sample	49	16
Average size of herd (breeding cows)	43	35
Calves reared per cow (numbers)	0.91	0.92
Finished cattle sales - £ per head	718	740
Store cattle sales - £ per head	485	572

	£ per cow	£ per cow
ENTERPRISE OUTPUT		
Calf and store cattle sales	370.60	327.34
Bull and cow sales	67.02	82.36
Finished cattle sales	170.25	328.80
Valuation change	5.10	34.79
Cattle purchases	-110.21	-128.43
TOTAL ENTERPRISE OUTPUT	502.76	644.86

VARIABLE COSTS		
Concentrates and bulk feed	100.15	96.62
Veterinary and medicines	35.06	36.52
Other livestock costs	49.83	51.88
Allocatable contracting	7.68	1.28
Forage variable costs	140.54	127.64
TOTAL VARIABLE OUTPUT	333.26	313.94

GROSS MARGIN	169.50	330.92
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GROSS MARGINS : HILL SUCKLER COWS

	All herds	Top third
Number of herds in sample	180	60
Average size of herd (breeding cows)	38	34
Calves reared per cow (numbers)	0.90	0.93
Finished cattle sales - £ per head	680	725
Store cattle sales - £ per head	498	531

	£ per cow	£ per cow
ENTERPRISE OUTPUT		
Calf and store cattle sales	397.14	400.17
Bull and cow sales	60.14	67.54
Finished cattle sales	185.92	280.57
Valuation change	6.69	28.54
Cattle purchases	-127.24	-114.82
TOTAL ENTERPRISE OUTPUT	522.65	662.00

VARIABLE COSTS		
Concentrates and bulk feed	140.62	115.04
Veterinary and medicines	32.82	27.04
Other livestock costs	56.51	56.83
Allocatable contracting	5.76	2.64
Forage variable costs	124.08	98.44
TOTAL VARIABLE OUTPUT	359.79	299.99

GROSS MARGIN	162.86	362.01
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GROSS MARGINS : HILL AND UPLAND DAIRY

	All herds	Top third
Number of herds in sample	61	20
Average size of herd (dairy cows)	104	113
Average milk yield (litres per cow)	6565	7223
Average milk price (pence per litre)	20.85	21.61
ENTERPRISE OUTPUT	£ per cow	£ per cow
Milk	1369.31	1561.07
Calves	63.13	60.19
Bull and cow sales	83.52	107.17
Net milk quota leased	-0.02	0.00
Valuation change	13.71	19.33
Cattle purchases	-152.58	-138.01
TOTAL ENTERPRISE OUTPUT	1377.07	1609.75
VARIABLE COSTS		
Concentrates and bulk feed	333.23	340.74
Veterinary and medicines	43.37	47.37
Other livestock costs	97.26	89.24
Allocatable contracting	13.63	9.48
Forage variable costs	122.47	115.53
TOTAL VARIABLE OUTPUT	609.96	602.36
GROSS MARGIN	767.11	1007.39

GROSS MARGINS : LOWLAND DAIRY

	All herds	Top third
Number of herds in sample	51	17
Average size of herd (dairy cows)	138	102
Average milk yield (litres per cow)	6634	7539
Average milk price (pence per litre)	21.47	23.15
ENTERPRISE OUTPUT	£ per cow	£ per cow
Milk	1423.90	1744.87
Calves	61.21	63.86
Bull and cow sales	67.92	109.92
Net milk quota leased	0.00	0.00
Valuation change	15.78	4.43
Cattle purchases	-159.66	-157.99
TOTAL ENTERPRISE OUTPUT	1409.15	1765.09
VARIABLE COSTS		
Concentrates and bulk feed	358.32	398.25
Veterinary and medicines	48.88	54.11
Other livestock costs	90.92	111.61
Allocatable contracting	15.97	19.54
Forage variable costs	117.43	124.03
TOTAL VARIABLE OUTPUT	631.52	707.54
GROSS MARGIN	777.63	1057.55

LAMB PRODUCTION COSTS

Pence per kg liveweight	All farms	Top third	Bottom third
Number of farms	114	38	38
Feed	25.94	21.85	30.88
Veterinary and medicines	7.97	6.71	10.05
Other livestock costs	10.51	9.35	12.43
Forage	17.67	14.40	22.03
TOTAL VARIABLE COSTS	62.09	52.31	75.39
FLOCK REPLACEMENT	13.08	10.22	16.57
Labour	3.78	2.18	5.60
Power and machinery	29.17	18.86	39.24
Buildings	10.66	6.55	15.46
General farm costs	12.31	9.28	14.37
Rent	5.24	4.05	8.15
Finance	5.84	3.10	10.58
TOTAL OVERHEAD COSTS	67.00	44.02	93.40
TOTAL COSTS	142.17	106.55	185.36
NET MARGIN	-35.86	6.26	-86.39
Lambs reared percentage	1.31	1.45	1.15
Average size of flock	662	675	745
Average lamb liveweight	39.16	40.95	37.01

MILK PRODUCTION COSTS

Pence per litre	All farms	Top third	Bottom third
Number of farms	112	37	37
Feed	5.04	4.63	5.61
Veterinary and medicines	0.68	0.65	0.76
Other livestock costs	1.70	1.39	2.05
Forage	1.80	1.53	2.11
TOTAL VARIABLE COSTS	9.22	8.20	10.53
HERD REPLACEMENT	0.92	0.24	1.60
Labour	0.58	0.42	0.61
Power and machinery	2.12	1.87	2.49
Buildings	1.16	0.97	1.33
General farm costs	1.00	0.85	1.20
Rent	0.32	0.15	0.43
Finance	0.74	0.28	1.46
TOTAL OVERHEAD COSTS	5.92	4.54	7.52
TOTAL COSTS	16.06	12.98	19.65
NET MARGIN	5.83	10.12	1.39
Margin over concentrates	16.08	17.39	14.67
Milk price received	21.18	22.17	20.46

BEEF PRODUCTION COSTS : SUCKLED CALF

Pence per kg liveweight	All farms	Top third	Bottom third
Number of farms	54	18	18
Feed	16.45	8.05	25.65
Veterinary and medicines	10.07	6.40	15.65
Other livestock costs	12.47	11.96	14.71
Forage	31.35	27.28	41.00
TOTAL VARIABLE COSTS	70.34	53.69	97.01
HERD REPLACEMENT	16.89	10.95	27.31
Labour	8.91	0.78	18.29
Power and machinery	44.82	32.86	52.92
Buildings	21.39	14.17	29.17
General farm costs	19.35	16.06	23.49
Rent	7.40	6.88	6.42
Finance	7.34	4.00	10.45
TOTAL OVERHEAD COSTS	109.21	74.75	140.74
TOTAL COSTS	196.44	139.39	265.06
NET MARGIN	-86.47	-28.73	-154.42

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	20	7	7
Feed	35.33	30.47	35.29
Veterinary and medicines	4.06	2.42	6.94
Other livestock costs	14.70	8.70	20.77
Forage	23.88	15.19	30.23
TOTAL VARIABLE COSTS	77.97	56.78	93.23
Labour	7.57	2.54	11.78
Power and machinery	38.31	31.65	53.53
Buildings	13.51	10.34	18.70
General farm costs	17.85	14.91	22.42
Rent	2.53	1.68	2.79
Finance	5.01	5.56	7.46
TOTAL OVERHEAD COSTS	84.78	66.68	116.68
TOTAL COSTS	162.75	123.46	209.91
NET MARGIN	-32.67	15.15	-83.33

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

Farming Connect – supporting farming families

Farming Connect is an integrated, high-profile Wales-wide scheme which has supported more than 7,000 farming families in Wales since the service was first set up in 2001.

Working closely with its partner organisations, this flagship scheme provides an accessible and flexible range of services including one-to-one support, knowledge, expertise, training and advisory services tailored to individual need. Many of these services are fully funded or subsidised, depending on eligibility. All of them help farmers to run their business more efficiently.

Farmers can keep up to date with the latest research and development by joining one of Farming Connect's four sector development programmes for dairy, red meat, organic and land management. Each programme provides a range of opportunities for farmers to receive science-based knowledge and market information to help them develop their business including visits to development farms, open days, demonstration days and discussion groups.

The scheme's Whole Farm Plan Co-ordinators can arrange up to five days of subsidised one-to-one support from an approved list of advisers or mentors. An additional three days of one-to-one support is available for farmers who would like to diversify or branch out into a new area. Regionally based staff from the Farm Advisory Service can help eligible businesses meet cross-compliance requirements and environmental regulations, with a substantial part of the cost reclaimable.

Farming Connect regional teams are based at the Welsh Assembly Government's Divisional Offices in Caernarfon, Llandrindod Wells and Carmarthen. To register for the new programme, farmers should call the Farming Connect Service Centre on 08456 000 813.

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