

Prifysgol
Aberystwyth
University

Wales Farm Income Booklet
2008/09 Results

Institute of Biological, Environmental and Rural Sciences

Aberystwyth University

Llanbadarn Campus

Aberystwyth

Ceredigion SY23 3AL

Tel: 01970 622253

Fax: 01970 622958

E-mail: farmsurv@aber.ac.uk

<http://www.aber.ac.uk/en/ibers/enterprise-kt/fbs/>

Foreword

In early 2008 the Institute of Biological, Environmental and Rural Sciences (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/adj.forage ha),</i>	Grazing Livestock Units per adjusted forage 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.
Gross Margin Data	On a per head basis, calculated by subtracting the direct (variable) costs from the relevant output.
<i>Net milk quota leased</i>	Value of leased-out less leased-in milk quota.
<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 (in liveweight terms) or litres of milk produced. 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 : 125

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	30857	238	291
Sheep	32677	252	353
Crops and forage	1615	12	23
Single Payment Scheme	33988	262	308
Tir Mynydd	4463	34	39
Indirect subsidies	5357	41	73
Miscellaneous income	5167	40	65
TOTAL OUTPUTS	114124	879	1152
INPUTS			
Feeds	15857	122	125
Tack and grass keep	4824	37	40
Veterinary and medicines	4420	34	42
Other livestock costs	5871	45	53
Fertilisers	6641	51	64
Other crop costs	1488	11	15
Allocatable contracting	3246	25	28
TOTAL VARIABLE COSTS	42347	325	367
Paid labour	4087	32	31
Other contracting / machinery hire	723	6	5
Fuel and repairs	9569	74	80
Machinery depreciation	8806	68	76
General farming costs	8119	63	69
Land expenses	3462	27	30
Buildings depreciation	3937	30	37
TOTAL OVERHEAD COSTS	38703	300	328
TOTAL INPUTS	81050	625	695
PROFIT BEFORE RENT AND FINANCE	33074	254	457
Rent	3169	24	21
Finance	3775	29	23
PROFIT AFTER RENT AND FINANCE	26130	201	413
Unpaid labour	5636	44	45

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	67	8	50
TOTAL ASSETS	879114	238903	774461
TOTAL EXTERNAL LIABILITIES	58182	13107	60280
NET WORTH	820932	225796	714181
Owner equity (%)	93	95	92

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	117.18	105.45
Cereals and other crops	0.90	1.46
Rough grazing, fallow, woods etc.	39.84	43.17
TOTAL AREA (actual)	157.92	150.08
TOTAL AREA (effective)	129.56	116.74

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	47	45
Other cattle	88	91
Breeding sheep	692	709
Other sheep	400	471

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.21	1.32
Finished lamb sales (numbers per ewe)	0.94	1.04
Finished lamb sales (£ per lamb)	49.15	53.14
Calves reared (numbers per cow)	0.88	0.92
Finished cattle sales (£ per head)	881	991
Store cattle sales (£ per head)	586	609
Stocking rate (glu/adj. forage ha.)	1.05	1.16

WHOLE FARM DATA

Number of farms : 123

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	12080	82	136
Sheep	39079	264	398
Crops and forage	859	6	12
Single Payment Scheme	33779	229	318
Tir Mynydd	5735	39	44
Indirect subsidies	7818	53	64
Miscellaneous income	3806	26	25
TOTAL OUTPUTS	103156	699	997
INPUTS			
Feeds	11978	81	98
Tack and grass keep	6658	45	82
Veterinary and medicines	3918	27	36
Other livestock costs	4358	29	39
Fertilisers	5133	35	45
Other crop costs	1083	7	10
Allocatable contracting	2503	17	23
TOTAL VARIABLE COSTS	35631	241	333
Paid labour	2852	19	19
Other contracting / machinery hire	521	4	7
Fuel and repairs	8486	57	66
Machinery depreciation	7790	53	60
General farming costs	7899	53	56
Land expenses	3087	21	26
Buildings depreciation	3673	25	26
TOTAL OVERHEAD COSTS	34308	232	260
TOTAL INPUTS	69939	473	593
PROFIT BEFORE RENT AND FINANCE	33217	226	404
Rent	2699	18	12
Finance	4576	31	22
PROFIT AFTER RENT AND FINANCE	25942	177	370
Unpaid labour	4993	34	51

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	65	10	48
TOTAL ASSETS	880051	200350	606463
TOTAL EXTERNAL LIABILITIES	50996	57760	73005
NET WORTH	829055	142590	533458
Owner equity (%)	94	71	88

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	121.68	102.62
Cereals and other crops	0.41	0.40
Rough grazing, fallow, woods etc.	91.99	48.68
TOTAL AREA (actual)	214.08	151.70
TOTAL AREA (effective)	147.79	117.09

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	18	19
Other cattle	37	43
Breeding sheep	1060	1059
Other sheep	615	634

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.10	1.10
Finished lamb sales (numbers per ewe)	0.85	0.90
Finished lamb sales (£ per lamb)	42.85	46.59
Calves reared (numbers per cow)	0.92	0.97
Finished cattle sales (£ per head)	885	894
Store cattle sales (£ per head)	583	639
Stocking rate (glu/adj. forage ha.)	0.80	0.97

WHOLE FARM DATA

Number of farms : 95

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	33892	313	459
Sheep	31215	288	397
Crops and forage	3988	37	50
Single Payment Scheme	27712	256	314
Tir Mynydd	2529	23	25
Indirect subsidies	4489	41	44
Miscellaneous income	8815	81	165
TOTAL OUTPUTS	112640	1039	1454
INPUTS			
Feeds	13157	121	172
Tack and grass keep	2824	26	38
Veterinary and medicines	3432	32	35
Other livestock costs	5239	48	59
Fertilisers	7427	69	99
Other crop costs	1927	18	22
Allocatable contracting	3934	36	42
TOTAL VARIABLE COSTS	37940	350	467
Paid labour	3190	29	27
Other contracting / machinery hire	792	7	7
Fuel and repairs	8499	78	110
Machinery depreciation	8243	76	85
General farming costs	7491	69	79
Land expenses	3777	35	38
Buildings depreciation	3973	37	45
TOTAL OVERHEAD COSTS	35965	331	391
TOTAL INPUTS	73905	681	858
PROFIT BEFORE RENT AND FINANCE	38735	358	596
Rent	3508	32	36
Finance	2909	27	26
PROFIT AFTER RENT AND FINANCE	32318	299	534
Unpaid labour	4693	43	67

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	41	8	46
TOTAL ASSETS	733474	170936	750477
TOTAL EXTERNAL LIABILITIES	49396	12966	43964
NET WORTH	684078	157970	706513
Owner equity (%)	93	92	94

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	103.32	104.08
Cereals and other crops	2.98	4.19
Rough grazing, fallow, woods etc.	8.12	6.38
TOTAL AREA (actual)	114.42	114.65
TOTAL AREA (effective)	108.42	110.40

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	32	32
Other cattle	87	114
Breeding sheep	523	606
Other sheep	358	433

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.33	1.42
Finished lamb sales (numbers per ewe)	1.24	1.35
Finished lamb sales (£ per lamb)	55.56	60.50
Calves reared (numbers per cow)	0.88	0.87
Finished cattle sales (£ per head)	900	947
Store cattle sales (£ per head)	589	653
Stocking rate (glu/adj. forage ha.)	1.13	1.31

WHOLE FARM DATA

Number of farms : 50

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	33417	368	450
Sheep	22705	250	371
Crops and forage	9024	99	102
Single Payment Scheme	23938	264	308
Indirect subsidies	2556	28	20
Miscellaneous income	5259	58	91
TOTAL OUTPUTS	96899	1067	1342
INPUTS			
Feeds	10166	112	141
Tack and grass keep	1628	18	24
Veterinary and medicines	2321	26	24
Other livestock costs	5032	55	71
Fertilisers	6227	69	55
Other crop costs	3004	33	31
Allocatable contracting	3322	37	39
TOTAL VARIABLE COSTS	31700	350	385
Paid labour	1490	16	23
Other contracting / machinery hire	771	8	10
Fuel and repairs	8074	89	85
Machinery depreciation	7898	87	68
General farming costs	7279	80	82
Land expenses	3748	41	40
Buildings depreciation	2433	27	29
TOTAL OVERHEAD COSTS	31693	348	337
TOTAL INPUTS	63393	698	722
PROFIT BEFORE RENT AND FINANCE	33506	369	620
Rent	4827	53	48
Finance	2445	27	19
PROFIT AFTER RENT AND FINANCE	26234	289	553
Unpaid labour	4166	46	69

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	23	8	19
TOTAL ASSETS	669877	207052	666242
TOTAL EXTERNAL LIABILITIES	34244	28778	34675
NET WORTH	635633	178274	631567
Owner equity (%)	95	86	95
PHYSICAL DATA	All farms	Top third	
LAND AREA	Hectares	Hectares	
Grassland and forage crops	81.66	74.70	
Cereals and other crops	6.15	6.08	
Rough grazing, fallow, woods etc.	6.85	7.85	
TOTAL AREA (actual)	94.66	88.63	
TOTAL AREA (effective)	90.75	84.69	
LIVESTOCK	All farms	Top third	
	Numbers	Numbers	
Suckler cows	23	18	
Other cattle	97	98	
Breeding sheep	338	418	
Other sheep	280	404	
PERFORMANCE INDICATORS	All farms	Top third	
Lambs reared (numbers per ewe)	1.42	1.39	
Finished lamb sales (numbers per ewe)	1.40	1.40	
Finished lamb sales (£ per lamb)	60.16	62.90	
Calves reared (numbers per cow)	0.92	0.94	
Finished cattle sales (£ per head)	923	964	
Store cattle sales (£ per head)	604	708	
Stocking rate (glu/adj. forage ha.)	1.27	1.51	

WHOLE FARM DATA

Number of farms : 65

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Dairy - milk	172915	1797	2556
- other output	2514	26	53
Other cattle	29054	302	426
Sheep	8480	88	85
Crops and forage	4189	44	35
Single Payment Scheme	27138	282	348
Indirect subsidies	3679	38	26
Miscellaneous income	5167	54	115
TOTAL OUTPUTS	253136	2631	3644
INPUTS			
Feeds	60534	629	838
Tack and grass keep	6583	68	128
Veterinary and medicines	6942	72	89
Other livestock costs	15584	162	184
Fertilisers	15147	157	192
Other crop costs	3720	39	30
Allocatable contracting	10743	112	104
TOTAL VARIABLE COSTS	119253	1239	1565
Paid labour	7805	81	91
Other contracting / machinery hire	654	7	4
Fuel and repairs	14984	156	180
Machinery depreciation	12966	135	166
General farming costs	11975	124	155
Land expenses	7649	80	98
Buildings depreciation	9485	99	132
TOTAL OVERHEAD COSTS	65518	682	826
TOTAL INPUTS	184771	1921	2391
PROFIT BEFORE RENT AND FINANCE	68365	710	1253
Rent	3539	37	24
Finance	8768	91	45
PROFIT AFTER RENT AND FINANCE	56058	582	1184
Unpaid labour	9004	94	152

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	35	2	28
TOTAL ASSETS	874448	-	731378
TOTAL EXTERNAL LIABILITIES	114540	-	181603
NET WORTH	759908	-	549775
Owner equity (%)	87	-	75

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	89.47	79.72
Cereals and other crops	3.90	2.07
Rough grazing, fallow, woods etc.	11.55	6.07
TOTAL AREA (actual)	104.92	87.86
TOTAL AREA (effective)	96.21	82.70

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Dairy cattle	105	120
Suckler cows	2	4
Other cattle	120	151
Breeding sheep	200	135
Other sheep	99	65

PERFORMANCE INDICATORS	All farms	Top third
Milk yield (litres per cow)	6568	6906
Margin over concentrates (£ per cow)	1209	1306
Milk disposal (£ per cow)	1652	1766
Milk price (pence per litre)	25.15	25.57
Stocking rate (glu/adj. forage ha.)	1.84	2.19

WHOLE FARM DATA

Number of farms : 55

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Dairy - milk	247346	2280	3019
- other output	2603	24	66
Other cattle	36205	334	397
Sheep	2067	19	9
Crops and forage	4125	38	46
Single Payment Scheme	31744	293	328
Indirect subsidies	2904	27	24
Miscellaneous income	5686	52	32
TOTAL OUTPUTS	332680	3067	3921
INPUTS			
Feeds	74518	687	781
Tack and grass keep	8610	79	92
Veterinary and medicines	9930	92	107
Other livestock costs	18602	172	197
Fertilisers	19245	177	188
Other crop costs	6016	55	57
Allocatable contracting	14113	130	141
TOTAL VARIABLE COSTS	151034	1392	1563
Paid labour	16990	157	118
Other contracting / machinery hire	2075	19	12
Fuel and repairs	20018	185	172
Machinery depreciation	13479	124	147
General farming costs	16024	148	162
Land expenses	9826	91	97
Buildings depreciation	11049	102	115
TOTAL OVERHEAD COSTS	89461	826	823
TOTAL INPUTS	240495	2218	2386
PROFIT BEFORE RENT AND FINANCE	92185	849	1535
Rent	5802	53	75
Finance	13193	122	64
PROFIT AFTER RENT AND FINANCE	73190	674	1396
Unpaid labour	10668	98	105

	Owned	Tenant	Mixed
	£/farm	£/farm	£/farm
BALANCE SHEET			
Number of farms by tenure type	23	8	24
TOTAL ASSETS	1256627	224315	1085814
TOTAL EXTERNAL LIABILITIES	289403	29091	272571
NET WORTH	967224	195224	813243
Owner equity (%)	77	87	75

	All farms	Top third
	Hectares	Hectares
PHYSICAL DATA		
LAND AREA		
Grassland and forage crops	103.50	89.69
Cereals and other crops	4.19	3.10
Rough grazing, fallow, woods etc.	6.35	3.54
TOTAL AREA (actual)	114.04	96.33
TOTAL AREA (effective)	108.46	93.21

	All farms	Top third
	Numbers	Numbers
LIVESTOCK		
Dairy cattle	152	151
Suckler cows	0	0
Other cattle	130	117
Breeding sheep	51	36
Other sheep	24	10

	All farms	Top third
PERFORMANCE INDICATORS		
Milk yield (litres per cow)	6184	6796
Margin over concentrates (£ per cow)	1221	1450
Milk disposal (£ per cow)	1628	1867
Milk price (pence per litre)	26.32	27.48
Stocking rate (glu/adj. forage ha.)	1.95	2.14

GROSS MARGINS : HILL SHEEP

	All flocks	Top third
Number of flocks in sample	219	73
Flock size (ewes and ewe lambs put to ram)	808	710
Lambs reared (numbers per ewe)	1.15	1.37

ENTERPRISE OUTPUT

	£ per ewe	£ per ewe
Lamb sales - store	1.59	0.22
- finished	39.70	63.49
Other sheep sales	8.61	11.19
Wool sales	0.72	0.91
Sheep compensation - Chernobyl	0.12	0.00
Valuation change	-0.86	-1.50
Sheep purchases	-3.71	-5.32
TOTAL ENTERPRISE OUTPUT	46.17	68.99

VARIABLE COSTS

Concentrates and bulk feed	10.79	12.32
Stock keep	2.58	2.05
Veterinary and medicines	3.71	4.39
Other livestock costs	3.34	3.97
Allocatable contracting	0.69	0.81
Forage variable costs	8.95	11.74
TOTAL VARIABLE COSTS	30.06	35.28

GROSS MARGIN

16.11	33.71
--------------	--------------

GROSS MARGINS : UPLAND SHEEP

	All flocks	Top third
Number of flocks in sample	89	30
Flock size (ewes and ewe lambs put to ram)	516	491
Lambs reared (numbers per ewe)	1.34	1.58

ENTERPRISE OUTPUT

	£ per ewe	£ per ewe
Lamb sales - store	0.90	0.10
- finished	70.33	97.21
Other sheep sales	9.80	12.07
Wool sales	0.83	0.89
Sheep compensation - Chernobyl	0.00	0.00
Valuation change	-2.15	-3.33
Sheep purchases	-10.20	-13.32
TOTAL ENTERPRISE OUTPUT	69.51	93.62

VARIABLE COSTS

Concentrates and bulk feed	14.28	14.88
Stock keep	1.09	0.63
Veterinary and medicines	4.03	3.87
Other livestock costs	4.79	5.86
Allocatable contracting	0.98	1.10
Forage variable costs	13.33	13.78
TOTAL VARIABLE COSTS	38.50	40.12

GROSS MARGIN

31.01	53.50
--------------	--------------

GROSS MARGINS : LOWLAND SHEEP

	All flocks	Top third
Number of flocks in sample	42	14
Flock size (ewes and ewe lambs put to ram)	363	362
Lambs reared (numbers per ewe)	1.42	1.52
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	0.07	0.00
- finished	78.79	90.72
Other sheep sales	6.89	7.80
Wool sales	0.95	0.96
Sheep compensation - Chernobyl	0.00	0.00
Valuation change	2.61	7.69
Sheep purchases	-10.03	-13.67
TOTAL ENTERPRISE OUTPUT	79.28	93.50
VARIABLE COSTS		
Concentrates and bulk feed	12.35	10.77
Stock keep	1.01	0.40
Veterinary and medicines	4.23	3.49
Other livestock costs	6.56	6.26
Allocatable contracting	1.05	1.02
Forage variable costs	12.35	9.95
TOTAL VARIABLE COSTS	37.55	31.89
GROSS MARGIN	41.73	61.61

GROSS MARGINS : LOWLAND SUCKLER COWS

	All herds	Top third
Number of herds in sample	23	8
Herd size (breeding cows)	45	44
Calves reared (numbers per cow)	0.90	0.93
Finished cattle sales (£ per head)	845	877
Store cattle sales (£ per head)	619	675
ENTERPRISE OUTPUT	£ per cow	£ per cow
Calf and store cattle sales	350.92	280.86
Bull and cow sales	88.75	86.72
Finished cattle sales	292.04	425.18
Valuation change	48.74	79.30
Cattle purchases	-120.44	-96.66
TOTAL ENTERPRISE OUTPUT	660.01	775.40
VARIABLE COSTS		
Concentrates and bulk feed	132.50	114.52
Veterinary and medicines	26.96	23.68
Other livestock costs	59.29	57.65
Allocatable contracting	2.16	2.44
Forage variable costs	171.81	98.09
TOTAL VARIABLE COSTS	392.72	296.38
GROSS MARGIN	267.29	479.02

GROSS MARGINS : UPLAND SUCKLER COWS

	All herds	Top third
Number of herds in sample	44	14
Herd size (breeding cows)	41	36
Calves reared (numbers per cow)	0.92	0.96
Finished cattle sales (£ per head)	874	858
Store cattle sales (£ per head)	603	708

	£ per cow	£ per cow
ENTERPRISE OUTPUT		
Calf and store cattle sales	418.20	347.06
Bull and cow sales	114.34	140.92
Finished cattle sales	284.02	522.03
Valuation change	13.95	81.71
Cattle purchases	-147.36	-167.31
TOTAL ENTERPRISE OUTPUT	683.15	924.41

VARIABLE COSTS		
Concentrates and bulk feed	133.21	132.06
Veterinary and medicines	41.82	42.97
Other livestock costs	67.04	66.62
Allocatable contracting	8.17	11.82
Forage variable costs	173.43	191.21
TOTAL VARIABLE COSTS	423.67	444.68

GROSS MARGIN	259.48	479.73
---------------------	---------------	---------------

GROSS MARGINS : HILL SUCKLER COWS

	All herds	Top third
Number of herds in sample	156	52
Herd size (breeding cows)	38	32
Calves reared (numbers per cow)	0.89	0.91
Finished cattle sales (£ per head)	833	861
Store cattle sales (£ per head)	603	664

	£ per cow	£ per cow
ENTERPRISE OUTPUT		
Calf and store cattle sales	518.23	535.26
Bull and cow sales	83.09	98.30
Finished cattle sales	134.89	260.90
Valuation change	33.34	63.91
Cattle purchases	-149.74	-149.51
TOTAL ENTERPRISE OUTPUT	619.81	808.86

VARIABLE COSTS		
Concentrates and bulk feed	156.52	140.58
Veterinary and medicines	37.48	36.64
Other livestock costs	65.09	68.55
Allocatable contracting	4.09	4.89
Forage variable costs	128.26	124.28
TOTAL VARIABLE COSTS	391.44	374.94

GROSS MARGIN	228.37	433.92
---------------------	---------------	---------------

GROSS MARGINS : HILL AND UPLAND DAIRY

	All herds	Top third
Number of herds in sample	64	21
Herd size (dairy cows)	102	97
Milk yield (litres per cow)	6503	7132
Milk price (pence per litre)	24.89	25.70
ENTERPRISE OUTPUT	£ per cow	£ per cow
Milk	1618.73	1833.13
Calves	80.17	75.54
Bull and cow sales	125.86	143.75
Net milk quota leased	0.00	0.00
Valuation change	28.92	50.49
Cattle purchases	-216.83	-211.27
TOTAL ENTERPRISE OUTPUT	1636.85	1891.64
VARIABLE COSTS		
Concentrates and bulk feed	442.59	461.56
Veterinary and medicines	50.75	48.86
Other livestock costs	114.74	110.81
Allocatable contracting	17.71	19.35
Forage variable costs	155.05	152.52
TOTAL VARIABLE COSTS	780.84	793.10
GROSS MARGIN	856.01	1098.54

GROSS MARGINS : LOWLAND DAIRY

	All herds	Top third
Number of herds in sample	55	18
Herd size (dairy cows)	149	122
Milk yield (litres per cow)	6149	7316
Milk price (pence per litre)	26.07	26.73
ENTERPRISE OUTPUT	£ per cow	£ per cow
Milk	1602.78	1956.84
Calves	68.87	82.43
Bull and cow sales	137.90	235.45
Net milk quota leased	0.00	0.00
Valuation change	36.86	31.57
Cattle purchases	-228.23	-226.05
TOTAL ENTERPRISE OUTPUT	1618.18	2080.24
VARIABLE COSTS		
Concentrates and bulk feed	413.16	463.63
Veterinary and medicines	55.95	67.33
Other livestock costs	103.61	108.31
Allocatable contracting	21.21	12.78
Forage variable costs	164.85	172.75
TOTAL VARIABLE COSTS	758.78	824.80
GROSS MARGIN	859.40	1255.44

LAMB PRODUCTION COSTS

Pence per kg liveweight	All farms	Top third	Bottom third
Number of farms	91	30	30
Feed	27.11	24.69	27.90
Veterinary and medicines	7.88	6.95	8.16
Other livestock costs	11.78	12.50	11.26
Forage	21.00	18.44	23.16
TOTAL VARIABLE COSTS	67.77	62.58	70.48
FLOCK REPLACEMENT	14.78	9.42	20.18
Labour	3.24	2.12	4.12
Power and machinery	30.55	24.26	38.84
Buildings	11.29	8.56	15.18
General farm costs	13.31	10.70	16.30
Rent	5.94	4.13	8.96
Finance	4.80	3.62	7.88
TOTAL OVERHEAD COSTS	69.13	53.39	91.28
TOTAL COSTS	151.68	125.39	181.94
NET MARGIN	-16.24	22.57	-55.31
Lambs reared (numbers per ewe)	1.32	1.46	1.20
Flock size	667	545	781
Average lamb liveweight (kg)	38.30	40.50	36.49

MILK PRODUCTION COSTS

Pence per litre	All farms	Top third	Bottom third
Number of farms	119	40	40
Feed	6.47	5.67	7.17
Veterinary and medicines	0.80	0.67	0.88
Other livestock costs	2.06	1.66	2.55
Forage	2.44	1.93	3.05
TOTAL VARIABLE COSTS	11.77	9.93	13.65
HERD REPLACEMENT	0.95	0.47	1.78
Labour	0.67	0.52	0.91
Power and machinery	2.54	2.19	3.01
Buildings	1.28	0.98	1.61
General farm costs	1.18	0.98	1.44
Rent	0.41	0.33	0.56
Finance	0.73	0.15	1.28
TOTAL OVERHEAD COSTS	6.81	5.15	8.81
TOTAL COSTS	19.53	15.55	24.24
NET MARGIN	6.94	11.52	1.80
Margin over concentrates	18.99	20.57	17.85
Milk price	25.53	26.10	25.05

BEEF PRODUCTION COSTS : SUCKLED CALF

Pence per kg liveweight	All farms	Top third	Bottom third
Number of farms	50	16	16
Feed	20.76	9.80	28.77
Veterinary and medicines	10.73	9.94	12.50
Other livestock costs	17.88	15.28	19.58
Forage	37.77	34.16	43.85
TOTAL VARIABLE COSTS	87.14	69.18	104.70
HERD REPLACEMENT	12.26	7.15	13.51
Labour	8.92	7.73	16.27
Power and machinery	52.43	39.29	60.53
Buildings	19.23	14.39	26.44
General farm costs	23.50	18.43	24.97
Rent	10.48	8.60	12.40
Finance	9.59	5.68	13.32
TOTAL OVERHEAD COSTS	124.15	94.12	153.93
TOTAL COSTS	223.55	170.45	272.14
NET MARGIN	-94.66	-37.77	-147.87

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	19	6	6
Feed	38.93	30.39	43.09
Veterinary and medicines	2.92	2.32	3.41
Other livestock costs	20.83	19.01	24.52
Forage	29.56	21.58	37.54
TOTAL VARIABLE COSTS	92.24	73.30	108.56
Labour	8.33	12.03	10.03
Power and machinery	40.41	41.10	50.49
Buildings	14.77	7.87	20.71
General farm costs	19.67	16.84	27.47
Rent	1.22	1.86	1.56
Finance	4.91	1.68	8.12
TOTAL OVERHEAD COSTS	89.31	81.38	118.38
TOTAL COSTS	181.55	154.68	226.94
NET MARGIN	10.57	59.83	-57.22

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 scheme which provides farm and forestry businesses in Wales with one to one support, guidance, advice and training. Many Farming Connect services such as our sector-specific Development Programmes are fully funded, while others are subsidised, including the:

- **Whole Farm Plan** – tailored to your needs, your plan can help you safeguard the future of your business, plan for the future and run your business more efficiently leading to higher returns. With the help of a Farming Connect Whole Farm Plan co-ordinator, you can select the options you want to meet your specific requirements which could include practical technical support, financial and business planning and advice on diversification. Farming Connect mentors can benchmark physical and financial performance against the average and top performing Welsh Farm Business Survey farms.
- **Farm Advisory Service** – this confidential service looks at all aspects of Cross Compliance relating to your farm, including specialist advice on areas such as soils, manure storage, dirty water systems and animal welfare.
- **Skills Development Programme** – your regional skills co-ordinator can arrange a skills assessment and provide access to courses throughout Wales on both practical and regulation-linked training.

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 range of services, farmers should call the Farming Connect Service Centre on **08456 000 813**.

Farming Connect is funded through the Rural Development Plan 2007 – 2013, which is financed by the European Agricultural Fund for Rural Development and the Welsh Assembly Government.
--