

Prifysgol
Aberystwyth
University

Wales Farm Income Booklet
2010/11 Results

Institute of Biological, Environmental and Rural Sciences

Aberystwyth University

Gogerddan

Aberystwyth

Ceredigion SY23 3EB

Tel: 01970 622253

E-mail: farmsurv@aber.ac.uk

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

Foreword

Aberystwyth University has been researching Welsh farm incomes since before the Second World War and 2011/12 is the 75th Anniversary of the Survey. The Survey, recognised as the most authoritative of the financial position and performance of farm incomes, provides policy-makers with information on the economic state of the industry and provides valuable comparative data for assessing individual farm performance.

This booklet is based on the full Farm Business Survey (FBS) which collects information from over 550 randomly selected Welsh farms. The booklet is aimed at providing farmers with a user friendly benchmarking tool and incorporates the latest financial and physical information for the main farm types in Wales. The results shown are contrary to some aspects of FBS methodology and presentation of results, for example notional inputs such as rental value for owner occupied farms and unpaid labour have been taken out, whereas finance charges have been included, so that the figures represent actual costs incurred. This booklet only shows unpaid labour for reference purposes and also, only includes selected farm types. For undertaking detailed, comprehensive analysis and for year on year analysis on income trends please refer to the full results published as the annual report 'Farm Business Survey in Wales: Statistical Results' (available online).

Aberystwyth has been associated with land-based studies since 1878 and the FBS is its oldest research contract. It is therefore appropriate that I gratefully acknowledge the many farmers throughout Wales who have made detailed information available; the Welsh Government who finance the present Survey; Farming Connect for the sponsorship of this booklet and the past and present staff of the Survey.

Tony O'Regan
Farm Business Survey Director

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).

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.
<i>Gross Margin Data</i>	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.
<i>Production Costs Data</i>	Calculated by dividing all variable and overhead costs by kilograms of meat (in liveweight terms) or litres of milk produced. Overheads are allocated on a livestock unit basis after a 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 : 125

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	33679	278	314
Sheep	42021	346	493
Crops and forage	2535	21	29
Single Payment Scheme	34854	287	339
Tir Mynydd	4293	35	42
Indirect subsidies	5482	45	78
Miscellaneous income	4144	34	47
TOTAL OUTPUTS	127008	1046	1342
INPUTS			
Feeds	16630	137	148
Tack and grass keep	5751	47	58
Veterinary and medicines	4452	37	40
Other livestock costs	7467	62	67
Fertilisers	7553	62	64
Other crop costs	1730	14	19
Allocatable contracting	3270	27	32
TOTAL VARIABLE COSTS	46853	386	428
Paid labour	3924	32	26
Other contracting / machinery hire	786	6	5
Fuel and repairs	10282	85	92
Machinery depreciation	11348	94	106
General farming costs	8892	73	83
Land expenses	3980	33	31
Buildings depreciation	3150	26	28
TOTAL OVERHEAD COSTS	42362	349	371
TOTAL INPUTS	89215	735	799
PROFIT BEFORE RENT AND FINANCE	37793	311	543
Rent	2532	21	16
Finance	3019	25	17
PROFIT AFTER RENT AND FINANCE	32242	265	510
Unpaid labour	6105	50	62

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	67	7	51
TOTAL ASSETS	975437	282888	890173
TOTAL EXTERNAL LIABILITIES	68484	24571	71582
NET WORTH	906953	258317	818591
Owner equity (%)	93	91	92

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	107.83	98.32
Cereals and other crops	1.07	1.70
Rough grazing, fallow, woods etc.	43.58	66.86
TOTAL AREA (actual)	152.48	166.88
TOTAL AREA (effective)	121.28	115.26

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	47	44
Other cattle	94	94
Breeding sheep	604	699
Other sheep	418	532

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.20	1.25
Finished lamb sales (numbers per ewe)	0.90	0.92
Finished lamb sales (£ per lamb)	67.42	70.81
Calves reared (numbers per cow)	0.89	0.91
Finished cattle sales (£ per head)	962	1033
Store cattle sales (£ per head)	677	699
Stocking rate (glu/adj. forage ha.)	1.08	1.19

WHOLE FARM DATA

Number of farms : 120

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	11591	77	127
Sheep	50051	334	520
Crops and forage	695	5	10
Single Payment Scheme	33777	225	308
Tir Mynydd	5635	38	47
Indirect subsidies	7171	48	76
Miscellaneous income	4259	28	46
TOTAL OUTPUTS	113179	755	1134
INPUTS			
Feeds	14277	95	133
Tack and grass keep	5717	38	49
Veterinary and medicines	3804	25	35
Other livestock costs	5409	36	50
Fertilisers	5573	37	49
Other crop costs	1086	7	10
Allocatable contracting	2422	16	25
TOTAL VARIABLE COSTS	38288	254	351
Paid labour	3451	23	36
Other contracting / machinery hire	610	4	4
Fuel and repairs	8921	60	81
Machinery depreciation	8941	60	76
General farming costs	8321	56	74
Land expenses	3460	23	29
Buildings depreciation	2423	16	18
TOTAL OVERHEAD COSTS	36127	242	318
TOTAL INPUTS	74415	496	669
PROFIT BEFORE RENT AND FINANCE	38764	259	465
Rent	3054	20	16
Finance	2527	17	20
PROFIT AFTER RENT AND FINANCE	33183	222	429
Unpaid labour	5024	34	38

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	58	11	51
TOTAL ASSETS	944297	210331	663897
TOTAL EXTERNAL LIABILITIES	61614	42772	68781
NET WORTH	882683	167559	595116
Owner equity (%)	93	80	90

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	124.68	101.21
Cereals and other crops	0.44	1.06
Rough grazing, fallow, woods etc.	87.80	60.20
TOTAL AREA (actual)	212.92	162.47
TOTAL AREA (effective)	149.85	116.53

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	16	15
Other cattle	32	35
Breeding sheep	976	996
Other sheep	634	665

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.08	1.14
Finished lamb sales (numbers per ewe)	0.73	0.77
Finished lamb sales (£ per lamb)	56.77	61.38
Calves reared (numbers per cow)	0.89	0.92
Finished cattle sales (£ per head)	937	968
Store cattle sales (£ per head)	654	685
Stocking rate (glu/adj. forage ha.)	0.75	1.01

WHOLE FARM DATA

Number of farms : 89

	All farms £/farm	All farms £/eff. ha.	Top third £/eff. ha.
OUTPUTS			
Beef	30918	283	373
Sheep	41519	379	588
Crops and forage	5738	52	73
Single Payment Scheme	29597	271	325
Tir Mynydd	2560	23	25
Indirect subsidies	2910	27	35
Miscellaneous income	5362	49	63
TOTAL OUTPUTS	118604	1084	1482
INPUTS			
Feeds	13861	127	169
Tack and grass keep	3677	34	50
Veterinary and medicines	3971	36	43
Other livestock costs	6738	62	81
Fertilisers	8314	76	104
Other crop costs	2256	21	24
Allocatable contracting	4137	38	47
TOTAL VARIABLE COSTS	42954	394	518
Paid labour	3363	31	24
Other contracting / machinery hire	888	8	10
Fuel and repairs	9545	87	103
Machinery depreciation	10132	93	102
General farming costs	8099	74	77
Land expenses	4307	39	35
Buildings depreciation	3124	29	33
TOTAL OVERHEAD COSTS	39458	361	384
TOTAL INPUTS	82412	755	902
PROFIT BEFORE RENT AND FINANCE	36192	329	580
Rent	3743	34	37
Finance	2273	21	21
PROFIT AFTER RENT AND FINANCE	30176	274	522
Unpaid labour	4733	43	57

	Owned £/farm	Tenant £/farm	Mixed £/farm
BALANCE SHEET			
Number of farms by tenure type	45	6	38
TOTAL ASSETS	822632	160388	842734
TOTAL EXTERNAL LIABILITIES	47480	13573	89308
NET WORTH	775152	146815	753426
Owner equity (%)	94	92	89

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	104.31	111.21
Cereals and other crops	2.73	4.32
Rough grazing, fallow, woods etc.	8.85	5.26
TOTAL AREA (actual)	115.89	120.79
TOTAL AREA (effective)	109.41	116.65

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	34	37
Other cattle	91	113
Breeding sheep	512	752
Other sheep	393	609

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.36	1.45
Finished lamb sales (numbers per ewe)	1.16	1.27
Finished lamb sales (£ per lamb)	70.33	72.48
Calves reared (numbers per cow)	0.88	0.93
Finished cattle sales (£ per head)	887	927
Store cattle sales (£ per head)	654	719
Stocking rate (glu/adj. forage ha.)	1.14	1.35

WHOLE FARM DATA

Number of farms : 53

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	31372	371	550
Sheep	31166	369	469
Crops and forage	11716	139	169
Single Payment Scheme	23191	274	338
Indirect subsidies	2190	26	28
Miscellaneous income	5209	62	56
TOTAL OUTPUTS	104844	1241	1610
INPUTS			
Feeds	14103	167	192
Tack and grass keep	2237	26	47
Veterinary and medicines	2767	33	32
Other livestock costs	6001	71	93
Fertilisers	6337	75	74
Other crop costs	2763	33	47
Allocatable contracting	3980	47	47
TOTAL VARIABLE COSTS	38188	452	532
Paid labour	2081	25	13
Other contracting / machinery hire	623	7	4
Fuel and repairs	8178	97	107
Machinery depreciation	8976	106	119
General farming costs	8713	103	112
Land expenses	3112	37	29
Buildings depreciation	2350	28	25
TOTAL OVERHEAD COSTS	34033	403	409
TOTAL INPUTS	72221	855	941
PROFIT BEFORE RENT AND FINANCE	32623	386	669
Rent	4589	54	53
Finance	2154	25	17
PROFIT AFTER RENT AND FINANCE	25880	307	599
Unpaid labour	3912	46	57

	Owned	Tenant	Mixed
	£/farm	£/farm	£/farm
BALANCE SHEET			
Number of farms by tenure type	22	8	23
TOTAL ASSETS	690730	182447	821536
TOTAL EXTERNAL LIABILITIES	23941	24773	97246
NET WORTH	666789	157674	724290
Owner equity (%)	97	86	88

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	76.43	60.53
Cereals and other crops	5.30	5.62
Rough grazing, fallow, woods etc.	7.22	6.58
TOTAL AREA (actual)	88.95	72.73
TOTAL AREA (effective)	84.56	68.25

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	23	12
Other cattle	95	108
Breeding sheep	367	313
Other sheep	284	285

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.39	1.46
Finished lamb sales (numbers per ewe)	1.20	1.36
Finished lamb sales (£ per lamb)	73.51	73.58
Calves reared (numbers per cow)	0.86	0.87
Finished cattle sales (£ per head)	947	967
Store cattle sales (£ per head)	640	713
Stocking rate (glu/adj. forage ha.)	1.35	1.50

WHOLE FARM DATA

Number of farms : 65

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Dairy - milk	182848	1904	2630
- other output	434	5	55
Other cattle	34549	360	529
Sheep	11300	118	83
Crops and forage	4959	52	35
Single Payment Scheme	28103	293	374
Indirect subsidies	3259	34	26
Miscellaneous income	3212	33	33
TOTAL OUTPUTS	268664	2799	3765
INPUTS			
Feeds	62414	650	794
Tack and grass keep	8196	85	138
Veterinary and medicines	8794	92	105
Other livestock costs	18770	195	238
Fertilisers	15794	164	208
Other crop costs	4111	43	41
Allocatable contracting	11518	120	113
TOTAL VARIABLE COSTS	129597	1349	1637
Paid labour	9316	97	79
Other contracting / machinery hire	824	9	10
Fuel and repairs	15422	161	165
Machinery depreciation	15735	164	214
General farming costs	14264	148	176
Land expenses	7441	77	71
Buildings depreciation	8404	87	98
TOTAL OVERHEAD COSTS	71406	743	813
TOTAL INPUTS	201003	2092	2450
PROFIT BEFORE RENT AND FINANCE	67661	707	1315
Rent	4002	42	29
Finance	6484	68	35
PROFIT AFTER RENT AND FINANCE	57175	597	1251
Unpaid labour	8868	92	150

	Owned £/farm	Tenant £/farm	Mixed £/farm
BALANCE SHEET			
Number of farms by tenure type	34	2	29
TOTAL ASSETS	1005623	-	811961
TOTAL EXTERNAL LIABILITIES	138726	-	189981
NET WORTH	866897	-	621980
Owner equity (%)	86	-	77

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	90.38	79.28
Cereals and other crops	2.32	1.32
Rough grazing, fallow, woods etc.	12.28	7.10
TOTAL AREA (actual)	104.98	87.70
TOTAL AREA (effective)	96.05	81.96

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Dairy cattle	113	128
Suckler cows	1	4
Other cattle	121	148
Breeding sheep	194	101
Other sheep	109	60

PERFORMANCE INDICATORS	All farms	Top third
Milk yield (litres per cow)	6925	7224
Margin over concentrates (£ per cow)	1152	1234
Milk disposal (£ per cow)	1584	1656
Milk price (pence per litre)	23.34	23.39
Stocking rate (glu/adj. forage ha.)	1.84	2.06

WHOLE FARM DATA

Number of farms : 54

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Dairy - milk	255072	2367	2892
- other output	-1065	-10	33
Other cattle	40979	380	458
Sheep	2875	27	13
Crops and forage	5447	51	46
Single Payment Scheme	33578	312	338
Indirect subsidies	2526	23	11
Miscellaneous income	5292	49	31
TOTAL OUTPUTS	344704	3199	3822
INPUTS			
Feeds	81766	759	880
Tack and grass keep	9166	85	77
Veterinary and medicines	10670	99	90
Other livestock costs	23472	218	230
Fertilisers	15055	140	143
Other crop costs	6346	59	58
Allocatable contracting	13486	125	123
TOTAL VARIABLE COSTS	159961	1485	1601
Paid labour	20773	193	80
Other contracting / machinery hire	2082	19	10
Fuel and repairs	20123	187	165
Machinery depreciation	18754	174	190
General farming costs	20222	188	189
Land expenses	6731	62	58
Buildings depreciation	8236	76	90
TOTAL OVERHEAD COSTS	96921	899	782
TOTAL INPUTS	256882	2384	2383
PROFIT BEFORE RENT AND FINANCE	87822	815	1439
Rent	6336	59	52
Finance	9144	85	40
PROFIT AFTER RENT AND FINANCE	72342	671	1347
Unpaid labour	9980	93	160

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	22	8	24
TOTAL ASSETS	1323373	278335	1222497
TOTAL EXTERNAL LIABILITIES	229740	34058	264924
NET WORTH	1093633	244277	957573
Owner equity (%)	83	88	78

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	102.98	83.34
Cereals and other crops	4.22	2.77
Rough grazing, fallow, woods etc.	6.31	4.51
TOTAL AREA (actual)	113.51	90.62
TOTAL AREA (effective)	107.75	87.07

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Dairy cattle	151	127
Suckler cows	0	0
Other cattle	146	123
Breeding sheep	62	50
Other sheep	24	15

PERFORMANCE INDICATORS	All farms	Top third
Milk yield (litres per cow)	6979	7898
Margin over concentrates (£ per cow)	1208	1439
Milk disposal (£ per cow)	1666	1956
Milk price (pence per litre)	24.27	25.12
Stocking rate (glu/adj. forage ha.)	2.05	2.09

GROSS MARGINS : HILL SHEEP	2010/11	
	All flocks	Top third
Number of flocks in sample	222	74
Flock size (ewes and ewe lambs put to ram)	735	663
Lambs reared (numbers per ewe)	1.13	1.34
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	3.13	1.85
- finished	49.53	74.12
Other sheep sales	13.83	17.95
Wool sales	1.00	1.24
Miscellaneous	0.19	0.02
Valuation change	3.63	3.67
Sheep purchases	-6.40	-7.60
TOTAL ENTERPRISE OUTPUT	64.91	91.25
VARIABLE COSTS		
Concentrates and bulk feed	13.28	15.81
Stock keep	3.21	2.66
Veterinary and medicines	3.88	4.40
Other livestock costs	4.54	5.40
Allocatable contracting	1.00	1.13
Forage variable costs	10.11	12.44
TOTAL VARIABLE COSTS	36.02	41.84
GROSS MARGIN	28.89	49.41

GROSS MARGINS : UPLAND SHEEP	2010/11	
	All flocks	Top third
Number of flocks in sample	79	26
Flock size (ewes and ewe lambs put to ram)	500	580
Lambs reared (numbers per ewe)	1.37	1.59
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	1.90	0.35
- finished	86.51	120.09
Other sheep sales	15.17	18.77
Wool sales	1.09	1.12
Miscellaneous	0.04	0.03
Valuation change	4.37	1.57
Sheep purchases	-17.28	-22.08
TOTAL ENTERPRISE OUTPUT	91.80	119.85
VARIABLE COSTS		
Concentrates and bulk feed	16.26	18.74
Stock keep	1.73	0.82
Veterinary and medicines	4.88	5.47
Other livestock costs	6.36	7.16
Allocatable contracting	1.19	1.08
Forage variable costs	14.72	15.28
TOTAL VARIABLE COSTS	45.14	48.55
GROSS MARGIN	46.66	71.30

GROSS MARGINS : LOWLAND SHEEP	2010/11	
	All flocks	Top third
Number of flocks in sample	44	15
Flock size (ewes and ewe lambs put to ram)	382	432
Lambs reared (numbers per ewe)	1.43	1.54
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	0.38	0.28
- finished	94.19	115.69
Other sheep sales	16.35	21.42
Wool sales	1.20	1.12
Miscellaneous	0.00	0.00
Valuation change	2.86	0.39
Sheep purchases	-17.73	-23.61
TOTAL ENTERPRISE OUTPUT	97.25	115.29
VARIABLE COSTS		
Concentrates and bulk feed	17.54	17.02
Stock keep	1.66	0.53
Veterinary and medicines	4.60	4.20
Other livestock costs	7.44	7.97
Allocatable contracting	1.23	0.99
Forage variable costs	12.59	11.40
TOTAL VARIABLE COSTS	45.06	42.11
GROSS MARGIN	52.19	73.18

GROSS MARGINS : LOWLAND SUCKLER COWS	2010/11	
	All herds	Top third
Number of herds in sample	16	5
Herd size (breeding cows)	44	38
Calves reared (numbers per cow)	0.86	0.87
Finished cattle sales (£ per head)	915	901
Store cattle sales (£ per head)	573	763
ENTERPRISE OUTPUT	£ per cow	£ per cow
Calf and store cattle sales	315.69	188.13
Bull and cow sales	58.02	114.17
Finished cattle sales	426.67	676.98
Valuation change	-34.31	-15.08
Cattle purchases	-87.55	-85.83
TOTAL ENTERPRISE OUTPUT	678.52	878.37
VARIABLE COSTS		
Concentrates and bulk feed	172.54	123.63
Veterinary and medicines	29.75	18.03
Other livestock costs	96.18	115.54
Allocatable contracting	1.08	1.51
Forage variable costs	162.93	203.53
TOTAL VARIABLE COSTS	462.48	462.24
GROSS MARGIN	216.04	416.13

GROSS MARGINS : UPLAND SUCKLER COWS		2010/11	
	All herds	Top third	
Number of herds in sample	46	15	
Herd size (breeding cows)	54	54	
Calves reared (numbers per cow)	0.88	0.91	
Finished cattle sales (£ per head)	849	824	
Store cattle sales (£ per head)	671	698	
ENTERPRISE OUTPUT			
	£ per cow	£ per cow	
Calf and store cattle sales	354.67	372.34	
Bull and cow sales	79.35	88.78	
Finished cattle sales	369.50	408.09	
Valuation change	28.89	97.09	
Cattle purchases	-169.98	-219.07	
TOTAL ENTERPRISE OUTPUT	662.43	747.23	
VARIABLE COSTS			
Concentrates and bulk feed	132.27	107.13	
Veterinary and medicines	42.73	38.80	
Other livestock costs	77.24	62.07	
Allocatable contracting	6.08	6.67	
Forage variable costs	184.41	167.20	
TOTAL VARIABLE COSTS	442.73	381.87	
GROSS MARGIN	219.70	365.36	

GROSS MARGINS : HILL SUCKLER COWS		2010/11	
	All herds	Top third	
Number of herds in sample	155	52	
Herd size (breeding cows)	40	37	
Calves reared (numbers per cow)	0.89	0.93	
Finished cattle sales (£ per head)	958	1023	
Store cattle sales (£ per head)	683	742	
ENTERPRISE OUTPUT			
	£ per cow	£ per cow	
Calf and store cattle sales	549.70	630.87	
Bull and cow sales	94.57	104.78	
Finished cattle sales	159.09	152.31	
Valuation change	34.24	77.85	
Cattle purchases	-180.18	-188.86	
TOTAL ENTERPRISE OUTPUT	657.42	776.95	
VARIABLE COSTS			
Concentrates and bulk feed	181.06	139.17	
Veterinary and medicines	42.48	41.26	
Other livestock costs	84.70	71.53	
Allocatable contracting	3.66	4.19	
Forage variable costs	161.64	141.63	
TOTAL VARIABLE COSTS	473.54	397.78	
GROSS MARGIN	183.88	379.17	

GROSS MARGINS : HILL AND UPLAND DAIRY		2010/11	
	All herds	Top third	
Number of herds in sample	60	20	
Herd size (dairy cows)	110	127	
Milk yield (litres per cow)	7113	7868	
Milk price (pence per litre)	23.28	23.90	
ENTERPRISE OUTPUT			
	£ per cow	£ per cow	
Milk	1655.96	1881.55	
Calves	94.27	92.77	
Bull and cow sales	128.03	124.65	
Valuation change	29.51	12.41	
Cattle purchases	-255.45	-229.62	
TOTAL ENTERPRISE OUTPUT	1652.32	1881.76	
VARIABLE COSTS			
Concentrates and bulk feed	459.95	468.48	
Veterinary and medicines	63.46	66.62	
Other livestock costs	134.66	125.35	
Allocatable contracting	20.10	18.33	
Forage variable costs	174.99	183.35	
TOTAL VARIABLE COSTS	853.16	862.13	
GROSS MARGIN	799.16	1019.63	

GROSS MARGINS : LOWLAND DAIRY		2010/11	
	All herds	Top third	
Number of herds in sample	54	18	
Herd size (dairy cows)	152	137	
Milk yield (litres per cow)	6971	8168	
Milk price (pence per litre)	24.24	25.18	
ENTERPRISE OUTPUT			
	£ per cow	£ per cow	
Milk	1689.68	2056.50	
Calves	83.79	85.48	
Bull and cow sales	129.90	158.45	
Valuation change	1.03	27.67	
Cattle purchases	-220.90	-231.54	
TOTAL ENTERPRISE OUTPUT	1683.50	2096.56	
VARIABLE COSTS			
Concentrates and bulk feed	485.64	543.31	
Veterinary and medicines	59.47	56.16	
Other livestock costs	127.84	148.87	
Allocatable contracting	20.36	18.51	
Forage variable costs	147.42	151.64	
TOTAL VARIABLE COSTS	840.73	918.49	
GROSS MARGIN	842.77	1178.07	

LAMB PRODUCTION COSTS		2010/11		
Pence per kg liveweight		Top third	Bottom third	
	All farms			
Number of farms	120	40	40	
Feed	36.13	32.76	39.79	
Veterinary and medicines	8.86	8.43	9.79	
Other livestock costs	14.62	13.75	15.79	
Forage	22.60	18.96	25.30	
TOTAL VARIABLE COSTS	82.21	73.90	90.67	
FLOCK REPLACEMENT	13.52	7.65	15.91	
Paid labour	5.62	3.75	8.35	
Power and machinery	35.77	28.07	43.62	
Buildings	11.75	8.31	17.36	
General farm costs	15.98	11.93	20.87	
Rent	5.68	3.32	8.39	
Finance	3.03	2.34	4.47	
TOTAL OVERHEAD COSTS	77.83	57.72	103.06	
TOTAL COSTS	173.56	139.27	209.64	
NET MARGIN	-0.04	38.29	-40.59	
Lambs reared (numbers per ewe)	1.32	1.43	1.20	
Flock size	696	636	771	
Average lamb liveweight (kg)	39.06	40.63	36.56	

MILK PRODUCTION COSTS		2010/11		
Pence per litre		Top third	Bottom third	
	All farms			
Number of farms	114	38	38	
Feed	6.35	5.71	8.58	
Veterinary and medicines	0.84	0.68	0.97	
Other livestock costs	2.18	1.66	1.95	
Forage	2.25	1.70	3.94	
TOTAL VARIABLE COSTS	11.62	9.75	15.44	
HERD REPLACEMENT	1.48	1.18	3.72	
Paid labour	0.74	0.38	3.66	
Power and machinery	2.46	2.27	4.19	
Buildings	0.96	0.65	0.84	
General farm costs	1.22	1.16	2.03	
Rent	0.36	0.24	0.54	
Finance	0.44	0.18	1.57	
TOTAL OVERHEAD COSTS	6.18	4.88	12.83	
TOTAL COSTS	19.28	15.81	31.99	
NET MARGIN	5.74	9.74	-5.71	
Margin over concentrates	17.37	18.48	16.08	
Milk price	23.45	23.99	24.66	

BEEF PRODUCTION COSTS : SUCKLED CALF 2010/11

pence per kg liveweight			Bottom third
	All farms	Top third	
Number of farms	60	20	20
Feed	19.86	10.59	32.99
Veterinary and medicines	10.59	7.26	11.07
Other livestock costs	17.51	10.07	22.66
Forage	36.19	27.08	43.18
Total variable costs	84.15	55.00	109.90
Herd replacement	6.56	4.41	8.21
Paid labour	9.31	3.15	18.95
Power and machinery	60.55	45.76	78.24
Buildings	17.97	11.68	22.73
General farm costs	26.54	21.91	33.02
Rent	6.71	6.75	9.33
Finance	4.83	3.12	7.38
Total overhead costs	125.91	92.37	169.65
Total costs	216.62	151.78	287.76
Margin	-79.12	-6.44	-153.06

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

BEEF PRODUCTION COSTS : FINISHING 2010/11

pence per kg liveweight			Bottom third
	All farms	Top third	
Number of farms	20	7	7
Feed	50.26	50.31	57.73
Veterinary and medicines	3.57	2.41	4.62
Other livestock costs	21.54	19.00	25.87
Forage	34.71	25.89	35.92
Total variable costs	110.08	97.61	124.14
Paid labour	8.35	3.64	12.92
Power and machinery	46.10	40.81	48.52
Buildings	12.54	11.86	15.90
General farm costs	18.80	19.70	20.66
Rent	3.46	4.19	1.85
Finance	2.44	2.77	1.13
Total overhead costs	91.69	82.97	100.98
Total costs	201.77	180.58	225.12
Margin	-34.45	6.42	-73.55

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

Farming Connect – support to develop your business

Farming Connect is the Welsh Government’s support service for farm and forestry businesses in Wales. Our network of regionally based delivery staff can help you access a package of support, tailored to your requirements.

- **Whole Farm Plan and Farm Advisory Service** - providing eligible businesses with business and technical guidance. Eligible farmers can **claim back 80%** funding towards the cost of one-to-one support and advice on a wide range of topics.
- **Skills Development Programme** – a wide range of training courses available to eligible farmers, who can **claim back 80%** of the cost. Ask for a free skills assessment and learn how to improve your working practices, meet statutory requirements or diversify into new areas.
- **Knowledge transfer** – Our programme of fully funded Farming Connect events will keep you up to date with the latest technical information and guidance on legislation, while enabling you to share best practice and learn from industry specialists.
- **Events and networking** - join our facilitated local discussion groups and networking events to share experiences with other farmers, discuss topical issues with specialists and develop your business.
- **Diversification and business management** - Our Agrisgôp groups meet on a regular basis providing support on a wide range of diversification and business management issues.

Call the Farming Connect Service Centre on 08456 000 813 or visit www.farmingconnect.co.uk

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
