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THE FARM BUSINESS SURVEY IN WALES

Wales Farm Income Booklet
2024/25 Results



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Wales Farm Income Booklet 2024/25 Results

Farm Business Survey

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Foreword

Aberystwyth University has been researching Welsh farm incomes for over eighty-five years. 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 benchmarking 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. This booklet is aimed at providing Welsh 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. So, for any comprehensive and detailed analysis and for year on year analysis on income trends please refer to the full results published online as the *FBS in Wales: Statistical Results*.

The value of the Survey depends on it representing Welsh farming and so it is desirable to have a small turnover of the farms taking part in it so that new farms can regularly be included. Any new farms recruited must be of a suitable type and size and so able to replace farms that are leaving the Survey. If you are interested in knowing more about the Survey and or participating in the Survey, please contact me.

Aberystwyth University 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; their accountants and consultants who have assisted with data provision, the Welsh Government, who finance the present Survey, and the past and present staff of the Survey.

Tony O'Regan (tor@aber.ac.uk)
Director of Farm Business Survey

Overview

The results in this booklet consist of accounting years ending between 31st December 2024 and 31st March 2025 and therefore reflect farming conditions between January 2024 and March 2025. This overview is intended to provide context and insight into the period that the results presented in this booklet represent.

Extreme weather patterns influenced the period covered by this booklet, with one of the wettest springs recorded in 2024 followed by a cool and dry summer with below average sunshine, albeit with significant regional variations. Rain returned for the 24/25 autumn/winter, plus the arrival of storm Darragh resulting in widespread damage and disruption. Then followed the sunniest, warmest and driest early spring in a generation.

The wet followed by dry start to the '24 growing season put pressure on winter stocks, hit crop establishment and growth, and impacted subsequent yields and grazing availability. Delayed turnout, challenging lambing and spring calving conditions added costs/animal losses for farmers. Lower ewe/cattle numbers and the difficult spring helped keep supply tight and livestock prices firm and with significant peaks for almost the whole of the period covered by this booklet, and for all livestock types.

Milk prices saw modest rises throughout '24, but still below the 2022 peaks. Purchased feed costs continued their decline as did fertilizer, although straw and other consumable costs stayed strong. Despite margins improving, milk price variations, succession issues, bTB, increasing environmental compliance costs and general uncertainty still resulted in farmers leaving the sector.

With readily available imports, cereal crop prices remained low for the most of 24/25 although there was a temporary price increase pre-harvest. Harvest conditions were generally good, although output was down due to lower areas and yields due to the difficult drilling period. Root crops and oilseed areas were down after struggling with establishment conditions. Potato prices were very good throughout 2024, but fell dramatically in early 2025.

Disillusionment from increased costs/regulations and related pressures, ever increasing extreme weather patterns, negative media coverage, climate change fears, political decisions etc. have, again, increased anxiety and frustration and a deterioration in farmer mental wellbeing.

Other aspects of note during the period included:- Rises in many costs and in particular electricity; Pressures on farm finances with high interest costs; Higher prices for agrochemicals and building materials costs; Availability and costs of new/replacement machinery and equipment and their repair costs; Uncertainty over the Sustainable Farming Scheme and the fear of lost income, productive land and future scheme eligibility/criteria; Agricultural policies' decisions, including Inheritance Tax changes, and their significant impacts on family farms; Extremely poor labour availability and higher labour costs; Reduced availability of and increased cost of land and rented grazing; Reduced profitability and fiscal changes for diversification and energy generation; Livestock diseases and control measures; Significantly increased and continuous pressures on cereal, pig and poultry enterprises; Making Tax Digital/Current Year Basis compliance and the added costs; Implementation of pollution/environmental regulations including slurry/FYM storage/use implications and the associated legislative compliance costs; Water use and extraction issues.

The results presented highlight large performance differences. For example, the top third hill cattle and sheep farms' £ per effective hectare profit was over double the average achieved. Likewise, on dairy farms the top third producers made a net margin of 13p/l more than the bottom third. Meat producers showed similar variability with lamb production ranging from making 86p/kg to losing 100p/kg, and suckler beef from plus 83p/kg to minus 112p/kg. However, none of these results take account of the farmer's labour cost, the absence of which, if misused, presents a false picture of the economics of farm production. The dairy sector best illustrates this since labour and pension costs alone can add over 11p/l, which then pushes the costs of production for the top third to 39p/l and the bottom third to 49p/l.

Particular attention also needs to be given to the current contribution of the BPS, other subsidies, miscellaneous and diversified income to the bottom line. For example, these four contributed around 25% of the total income (outputs) and 125% of profits, on average, for the upland cattle and sheep farms. With these levels of dependency, it is difficult to see how many Welsh farms with limited options for changing farming enterprises and or systems, can be profitable without relying on non-farming income and Welsh Government support payments.

Introduction

Farm profitability is central to any farm business, although farmers will have many other business and personal objectives. With the BPS and Habitat Wales Scheme being replaced by the Sustainable Farming Scheme in 2026 and other ongoing economic challenges all farmers should be aware of their production costs and how these compare with those of other producers. The variation in performance and return demonstrated in this booklet shows the scope for improvement and by comparing or better still 'benchmarking' farm performance, potential strengths and weaknesses within the farming operation can be identified and acted upon.

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 7 – 18)

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 19 – 22)

This booklet presents data for eight different farm enterprises. Gross margins compare income with the direct costs incurred for production however, care is needed when using gross margins since no account is taken of indirect production costs (overheads).

3. Production Costs Data (Pages 23 – 24)

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

Effective Hectares (Eff. Ha.) Constitutes total farm area minus area occupied by roads, woodland, wasteland and buildings. Rough grazing is expressed in terms of pasture equivalent.

Farm Types

Hill Mainly in Severely Disadvantaged Area.

Upland Mainly in Disadvantaged Area.

Lowland Mainly outside Less Favoured Area.

Whole Farm Data

Ranking of whole farm data Top producers are ranked by profit after rent and finance per effective hectare.

Indirect subsidies Subsidies not subject to de-coupling e.g. Organic and Habitat Wales Schemes.

Other crop costs Includes all arable and forage costs except for fertilisers and contracting, e.g. seeds, sprays, wrap, twine etc.

Allocatable contracting Contracting allocated to enterprises e.g. combining, shearing and slurry spreading.

General farm costs Includes electricity, telephone, insurances, professional fees, licenses and subscriptions.

Miscellaneous income Comprises contracting, cottage rents, wayleaves and any other miscellaneous income. Includes revenue from other enterprises not shown.

Owner equity Net worth as percentage of total assets.

Stocking Rate (glu/adj.forage ha), Grazing Livestock Units per adjusted forage hectare of land.

Livestock Units (LU) and Grazing Livestock Units (GLU) Livestock numbers are converted to livestock units, based on estimated energy requirements, to calculate the total stocking of grazing livestock on the farm.

Dairy other output Net output from sales / purchases of cows and calves. Includes valuation changes.

Income from Energy Generation Income from farmer and non-farmer-owned energy generation, including wind, solar, biomass, hydro, AD etc.

<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 are included.
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 (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 has 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.
Sample sizes	Where sample sizes are five or less farms, data are not shown.

HILL CATTLE AND SHEEP FARMS

2024/25

WHOLE FARM DATA

Number of farms: 153

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	72,161	455	594
Sheep	80,422	507	687
Crops and forage	4,250	27	16
Basic Payment Scheme	28,588	180	180
Indirect subsidies	3,781	24	18
Income from energy generation	7,562	48	118
Miscellaneous income	10,315	65	108
TOTAL OUTPUTS	207,079	1,306	1,721
INPUTS			
Feeds	30,352	191	223
Tack and grass keep	6,725	42	49
Veterinary and medicines	7,186	45	53
Other livestock costs	12,475	79	89
Fertilisers	7,983	50	49
Other crop costs	2,979	19	19
Allocatable contracting	7,313	46	57
TOTAL VARIABLE COSTS	75,013	472	539
Paid labour	6,339	40	50
Other contracting / machinery hire	992	6	6
Fuel and repairs	16,412	103	114
Machinery depreciation	19,520	123	136
General farming costs	17,028	107	113
Land expenses	6,464	41	52
Buildings depreciation	6,471	41	39
TOTAL OVERHEAD COSTS	73,226	461	510
TOTAL INPUTS	148,239	933	1,049
PROFIT BEFORE RENT & FINANCE	58,840	373	672
Rent	5,360	34	34
Finance	9,663	61	77
PROFIT AFTER RENT & FINANCE	43,817	278	561
Unpaid labour	10,208	64	79

HILL CATTLE AND SHEEP FARMS

2024/25

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	72	9	72
TOTAL ASSETS	2,628,070	358,418	2,104,950
TOTAL LIABILITIES	145,992	71,835	175,043
NET WORTH	2,482,078	286,583	1,929,907
Owner equity (%)	94	80	92

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	146.30	155.90
Cereals and other crops	1.20	0.76
Rough grazing, fallow, woods etc.	50.38	33.49
TOTAL AREA (actual)	197.88	190.15
TOTAL AREA (effective)	158.66	162.34

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	40	49
Other cattle	90	101
Breeding sheep	693	845
Other sheep	453	574

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.21	1.26
Finished lamb sales (numbers per ewe)	0.82	0.90
Finished lamb sales (£ per lamb)	124.22	128.96
Calves reared (numbers per cow)	0.85	0.89
Finished cattle sales (£ per head)	1,653	1,722
Store cattle sales (£ per head)	1,268	1,260
Stocking rate (glu/adj. forage ha.)	0.93	1.09

HILL SHEEP FARMS

2024/25

WHOLE FARM DATA

Number of farms: 93

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	10,716	77	142
Sheep	64,860	466	776
Crops and forage	2,842	20	41
Basic Payment Scheme	29,091	209	268
Indirect subsidies	3,822	27	41
Income from energy generation	511	4	12
Miscellaneous income	9,758	70	149
TOTAL OUTPUTS	121,600	873	1,429
INPUTS			
Feeds	15,879	114	181
Tack and grass keep	3,841	28	44
Veterinary and medicines	4,890	35	52
Other livestock costs	5,947	43	70
Fertilisers	4,438	32	41
Other crop costs	1,603	12	21
Allocatable contracting	3,693	27	31
TOTAL VARIABLE COSTS	40,291	291	440
Paid labour	2,535	18	20
Other contracting / machinery hire	707	5	5
Fuel and repairs	10,862	78	120
Machinery depreciation	11,767	85	130
General farming costs	13,090	94	141
Land expenses	3,623	26	35
Buildings depreciation	2,991	21	24
TOTAL OVERHEAD COSTS	45,575	327	475
TOTAL INPUTS	85,866	618	915
PROFIT BEFORE RENT & FINANCE	35,734	255	514
Rent	2,786	20	21
Finance	2,872	21	18
PROFIT AFTER RENT & FINANCE	30,076	214	475
Unpaid labour	6,903	50	80

HILL SHEEP FARMS

2024/25

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	55	8	30
TOTAL ASSETS	1,639,338	228,065	1,534,040
TOTAL LIABILITIES	22,712	13,119	43,788
NET WORTH	1,616,626	214,946	1,490,252
Owner equity (%)	99	94	97

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	120.91	97.29
Cereals and other crops	0.26	0.74
Rough grazing, fallow, woods etc.	56.87	44.12
TOTAL AREA (actual)	178.04	142.15
TOTAL AREA (effective)	139.18	107.05

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	8	10
Other cattle	12	13
Breeding sheep	720	742
Other sheep	401	459

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.09	1.23
Finished lamb sales (numbers per ewe)	0.63	0.75
Finished lamb sales (£ per lamb)	112.79	116.97
Calves reared (numbers per cow)	0.83	0.86
Finished cattle sales (£ per head)	1,757	1,808
Store cattle sales (£ per head)	1,342	1,511
Stocking rate (glu/adj. forage ha.)	0.64	0.84

UPLAND CATTLE AND SHEEP FARMS

2024/25

WHOLE FARM DATA

Number of farms: 93

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	50,353	481	637
Sheep	47,011	450	662
Crops and forage	10,028	96	173
Basic Payment Scheme	17,816	170	173
Indirect subsidies	1,345	13	10
Income from energy generation	3,482	33	73
Miscellaneous income	13,182	126	204
TOTAL OUTPUTS	143,217	1,369	1,932
INPUTS			
Feeds	16,871	161	190
Tack and grass keep	3,130	30	38
Veterinary and medicines	5,526	53	54
Other livestock costs	8,018	77	87
Fertilisers	7,078	68	79
Other crop costs	2,742	26	36
Allocatable contracting	5,878	56	67
TOTAL VARIABLE COSTS	49,243	471	551
Paid labour	3,725	36	59
Other contracting / machinery hire	967	9	9
Fuel and repairs	12,703	121	146
Machinery depreciation	15,728	150	164
General farming costs	13,707	131	135
Land expenses	5,103	49	49
Buildings depreciation	4,430	42	43
TOTAL OVERHEAD COSTS	56,363	538	605
TOTAL INPUTS	105,606	1,009	1,156
PROFIT BEFORE RENT & FINANCE	37,611	360	776
Rent	3,682	35	55
Finance	5,383	51	40
PROFIT AFTER RENT & FINANCE	28,546	274	681
Unpaid labour	5,727	55	62

UPLAND CATTLE AND SHEEP FARMS

2024/25

	Owned £/farm	Tenant £/farm	Mixed £/farm
BALANCE SHEET			
Number of farms by tenure type	51	2	40
TOTAL ASSETS	1,602,749	-	1,603,380
TOTAL LIABILITIES	61,492	-	138,883
NET WORTH	1,541,257	-	1,464,497
Owner equity (%)	96	-	91

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	101.66	102.04
Cereals and other crops	2.07	3.22
Rough grazing, fallow, woods etc.	10.47	11.11
TOTAL AREA (actual)	114.20	116.37
TOTAL AREA (effective)	104.58	105.86

	All farms	Top third
LIVESTOCK	Numbers	Numbers
Suckler cows	23	19
Other cattle	73	85
Breeding sheep	386	463
Other sheep	225	278

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.31	1.51
Finished lamb sales (numbers per ewe)	0.93	1.28
Finished lamb sales (£ per lamb)	130.86	137.74
Calves reared (numbers per cow)	0.84	0.94
Finished cattle sales (£ per head)	1,730	1,755
Store cattle sales (£ per head)	1,223	1,402
Stocking rate (glu/adj. forage ha.)	1.07	1.18

LOWLAND CATTLE AND SHEEP FARMS**2024/25****WHOLE FARM DATA**

Number of farms: 62

	All farms	All farms	Top third
	£/farm	£/eff.ha.	£/eff.ha.
OUTPUTS			
Beef	72,969	758	1,196
Sheep	40,923	425	620
Crops and forage	11,518	120	103
Basic Payment Scheme	17,034	177	180
Indirect subsidies	968	10	18
Income from energy generation	2,125	22	23
Miscellaneous income	6,042	63	61
TOTAL OUTPUTS	151,579	1,575	2,201
INPUTS			
Feeds	16,723	174	218
Tack and grass keep	4,121	43	52
Veterinary and medicines	4,233	44	50
Other livestock costs	8,823	92	129
Fertilisers	7,235	75	91
Other crop costs	4,058	42	51
Allocatable contracting	7,167	74	77
TOTAL VARIABLE COSTS	52,360	544	668
Paid labour	2,766	29	33
Other contracting / machinery hire	703	7	8
Fuel and repairs	12,044	125	132
Machinery depreciation	13,631	142	153
General farming costs	13,964	145	141
Land expenses	4,724	49	60
Buildings depreciation	4,131	43	50
TOTAL OVERHEAD COSTS	51,963	540	577
TOTAL INPUTS	104,323	1,084	1,245
PROFIT BEFORE RENT & FINANCE	47,256	491	956
Rent	6,967	72	70
Finance	5,253	55	26
PROFIT AFTER RENT & FINANCE	35,036	364	860
Unpaid labour	4,478	47	93

LOWLAND CATTLE AND SHEEP FARMS

2024/25

	Owned £/farm	Tenant £/farm	Mixed £/farm
BALANCE SHEET			
Number of farms by tenure type	24	12	26
TOTAL ASSETS	1,948,594	259,302	1,523,723
TOTAL LIABILITIES	84,742	32,093	101,874
NET WORTH	1,863,852	227,209	1,421,849
Owner equity (%)	96	88	93

	All farms Hectares	Top third Hectares
PHYSICAL DATA		
LAND AREA		
Grassland and forage crops	90.11	87.13
Cereals and other crops	4.15	6.69
Rough grazing, fallow, woods etc.	10.41	6.56
TOTAL AREA (actual)	104.67	100.38
TOTAL AREA (effective)	96.25	94.97

	All farms Numbers	Top third Numbers
LIVESTOCK		
Suckler cows	19	12
Other cattle	99	143
Breeding sheep	273	306
Other sheep	193	245

	All farms	Top third
PERFORMANCE INDICATORS		
Lambs reared (numbers per ewe)	1.35	1.43
Finished lamb sales (numbers per ewe)	1.02	1.19
Finished lamb sales (£ per lamb)	142.04	149.18
Calves reared (numbers per cow)	0.81	0.89
Finished cattle sales (£ per head)	1,684	1,719
Store cattle sales (£ per head)	1,225	1,319
Stocking rate (glu/adj. forage ha.)	1.19	1.59

HILL AND UPLAND DAIRY FARMS

2024/25

WHOLE FARM DATA

Number of farms: 61

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Dairy - milk	543,560	3,392	4,188
Dairy - other output	19,613	122	226
Other cattle	89,749	560	709
Sheep	18,659	116	44
Crops and forage	3,502	22	18
Basic Payment Scheme	21,452	134	142
Indirect subsidies	745	5	1
Income from energy generation	4,115	26	37
Miscellaneous income	10,637	66	45
TOTAL OUTPUTS	712,032	4,443	5,410
INPUTS			
Feeds	175,887	1,098	1,195
Tack and grass keep	28,079	175	181
Veterinary and medicines	15,572	97	107
Other livestock costs	48,185	301	328
Fertilisers	26,241	164	190
Other crop costs	8,482	53	51
Allocatable contracting	38,711	242	268
TOTAL VARIABLE COSTS	341,157	2,130	2,320
Paid labour	32,443	202	197
Other contracting / machinery hire	3,385	21	22
Fuel and repairs	38,006	237	278
Machinery depreciation	36,684	229	265
General farming costs	44,242	276	291
Land expenses	13,783	86	104
Buildings depreciation	23,199	145	175
TOTAL OVERHEAD COSTS	191,742	1,196	1,332
TOTAL INPUTS	532,899	3,326	3,652
PROFIT BEFORE RENT & FINANCE	179,133	1,117	1,758
Rent	8,582	54	25
Finance	41,104	256	162
PROFIT AFTER RENT & FINANCE	129,447	807	1,571
Unpaid labour	21,590	135	184

HILL AND UPLAND DAIRY FARMS

2024/25

	Owned £/farm	Tenant £/farm	Mixed £/farm
BALANCE SHEET			
Number of farms by tenure type	25	1	35
TOTAL ASSETS	3,229,930	-	2,895,387
TOTAL LIABILITIES	521,557	-	815,368
NET WORTH	2,708,373	-	2,080,019
Owner equity (%)	84	-	72

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	156.98	151.54
Cereals and other crops	0.85	0.16
Rough grazing, fallow, woods etc.	11.97	9.44
TOTAL AREA (actual)	169.80	161.14
TOTAL AREA (effective)	160.25	153.25

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Dairy cattle	190	222
Suckler cows	0	0
Other cattle	166	198
Breeding sheep	158	42
Other sheep	94	29

PERFORMANCE INDICATORS	All farms	Top third
Milk yield (litres per cow)	6,828	6,806
Margin over concentrates (£ per cow)	2,088	2,172
Milk sales (£ per cow)	2,857	2,875
Milk price (pence per litre)	42.35	42.80
Stocking rate (glu/adj. forage ha.)	1.92	2.21

LOWLAND DAIRY FARMS

2024/25

WHOLE FARM DATA

Number of farms: 53

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Dairy - milk	741,809	4,552	6,221
- other output	16,539	101	113
Other cattle	115,875	711	849
Sheep	6,911	42	29
Crops and forage	15,529	95	64
Basic Payment Scheme	22,059	135	130
Indirect subsidies	1,002	6	0
Income from energy generation	2,764	17	21
Miscellaneous income	7,695	47	40
TOTAL OUTPUTS	930,183	5,706	7,467
INPUTS			
Feeds	240,967	1,479	2,005
Tack and grass keep	36,642	225	272
Veterinary and medicines	18,971	116	116
Other livestock costs	59,967	368	418
Fertilisers	27,464	169	171
Other crop costs	17,777	109	124
Allocatable contracting	51,545	316	386
TOTAL VARIABLE COSTS	453,333	2,782	3,492
Paid labour	51,444	316	249
Other contracting / machinery hire	2,090	13	10
Fuel and repairs	49,453	303	361
Machinery depreciation	47,194	290	341
General farming costs	58,375	358	388
Land expenses	15,793	97	110
Buildings depreciation	29,989	184	215
TOTAL OVERHEAD COSTS	254,338	1,561	1,674
TOTAL INPUTS	707,671	4,343	5,166
PROFIT BEFORE RENT & FINANCE	222,512	1,363	2,301
Rent	17,232	106	73
Finance	36,886	226	258
PROFIT AFTER RENT & FINANCE	168,394	1,031	1,970
Unpaid labour	23,055	141	184

LOWLAND DAIRY FARMS

2024/25

	Owned £/farm	Tenant £/farm	Mixed £/farm
BALANCE SHEET			
Number of farms by tenure type	19	3	31
TOTAL ASSETS	3,788,604	-	3,468,362
TOTAL LIABILITIES	512,940	-	637,474
NET WORTH	3,275,664	-	2,830,888
Owner equity (%)	86	-	82

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	153.25	148.95
Cereals and other crops	8.47	4.18
Rough grazing, fallow, woods etc.	8.04	6.08
TOTAL AREA (actual)	169.76	159.21
TOTAL AREA (effective)	162.97	153.60

	All farms	Top third
LIVESTOCK	Numbers	Numbers
Dairy cattle	220	253
Suckler cows	0	0
Other cattle	206	229
Breeding sheep	54	22
Other sheep	41	48

PERFORMANCE INDICATORS	All farms	Top third
Milk yield (litres per cow)	7,835	8,822
Margin over concentrates (£ per cow)	2,444	2,731
Milk sales (£ per cow)	3,361	3,764
Milk price (pence per litre)	43.20	42.91
Stocking rate (glu/adj. forage ha.)	2.23	2.56

GROSS MARGINS: HILL SHEEP

		2024/25
	All flocks	Top third
Number of flocks in sample	201	67
Flock size (ewes and ewe lambs put to ram)	626	631
Lambs reared (numbers per ewe)	1.15	1.34

ENTERPRISE OUTPUT

	£ per ewe	£ per ewe
Lamb sales - store	11.10	6.19
- finished	88.61	130.07
Other sheep sales	29.55	40.23
Wool sales	0.68	0.80
Miscellaneous	0.05	0.14
Valuation change	5.64	6.39
Sheep purchases	-12.38	-17.18
TOTAL ENTERPRISE OUTPUT	123.25	166.64

VARIABLE COSTS

Concentrates and bulk feed	24.44	27.20
Stock keep	3.50	2.66
Veterinary and medicines	7.88	9.18
Other livestock costs	9.20	11.28
Allocatable contracting	2.36	2.52
Forage variable costs	13.24	14.03
TOTAL VARIABLE COSTS	60.62	66.87

GROSS MARGIN

62.63 99.77

GROSS MARGINS: UPLAND SHEEP

	All flocks	Top third
Number of flocks in sample	64	21
Flock size (ewes and ewe lambs put to ram)	455	478
Lambs reared (numbers per ewe)	1.31	1.55

ENTERPRISE OUTPUT

	£ per ewe	£ per ewe
Lamb sales - store	9.03	4.30
- finished	133.73	172.72
Other sheep sales	27.51	36.04
Wool sales	0.81	0.74
Miscellaneous	0.32	0.27
Valuation change	8.00	11.96
Sheep purchases	-19.82	-22.64
TOTAL ENTERPRISE OUTPUT	159.58	203.39

VARIABLE COSTS

Concentrates and bulk feed	27.51	27.62
Stock keep	2.05	0.90
Veterinary and medicines	10.59	11.35
Other livestock costs	11.16	12.51
Allocatable contracting	2.04	2.37
Forage variable costs	21.55	18.63
TOTAL VARIABLE COSTS	74.90	73.38

GROSS MARGIN

84.68 130.01

GROSS MARGINS: LOWLAND SHEEP		2024/25
	All flocks	Top third
Number of flocks in sample	38	13
Flock size (ewes and ewe lambs put to ram)	402	451
Lambs reared (numbers per ewe)	1.35	1.51
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	8.44	2.04
- finished	151.71	207.91
Other sheep sales	32.10	40.39
Wool sales	0.73	0.88
Miscellaneous	0.00	0.00
Valuation change	6.08	5.21
Sheep purchases	-24.90	-30.47
TOTAL ENTERPRISE OUTPUT	174.16	225.96
VARIABLE COSTS		
Concentrates and bulk feed	24.95	28.32
Stock keep	5.37	2.38
Veterinary and medicines	9.72	10.35
Other livestock costs	13.53	15.12
Allocatable contracting	2.10	1.87
Forage variable costs	17.62	15.57
TOTAL VARIABLE COSTS	73.29	73.61
GROSS MARGIN	100.87	152.35

GROSS MARGINS: LOWLAND SUCKLER COWS		
	All herds	Top third
Number of herds in sample	21	7
Herd size (breeding cows)	49	52
Calves reared (numbers per cow)	0.85	0.95
Finished cattle sales (£ per head)	1,701	1,699
Store cattle sales (£ per head)	1,288	1,244
ENTERPRISE OUTPUT	£ per cow	£ per cow
Calf and store cattle sales	715.65	538.50
Bull and cow sales	180.26	215.59
Finished cattle sales	825.18	1,233.30
Valuation change	-14.39	-32.24
Cattle purchases	-218.93	-127.15
TOTAL ENTERPRISE OUTPUT	1,487.77	1,828.00
VARIABLE COSTS		
Concentrates and bulk feed	222.24	156.56
Veterinary and medicines	45.46	34.70
Other livestock costs	134.89	154.34
Allocatable contracting	30.17	43.35
Forage variable costs	297.70	274.50
TOTAL VARIABLE COSTS	730.46	663.45
GROSS MARGIN	757.31	1,164.55

GROSS MARGINS: UPLAND SUCKLER COWS		2024/25
	All herds	Top third
Number of herds in sample	35	12
Herd size (breeding cows)	50	44
Calves reared (numbers per cow)	0.86	0.95
Finished cattle sales (£ per head)	1,733	1,741
Store cattle sales (£ per head)	1,261	1,487
ENTERPRISE OUTPUT	£ per cow	£ per cow
Calf and store cattle sales	917.14	1,190.75
Bull and cow sales	239.70	223.59
Finished cattle sales	304.45	496.48
Valuation change	69.40	77.09
Cattle purchases	-280.00	-319.61
TOTAL ENTERPRISE OUTPUT	1,250.69	1,668.30
VARIABLE COSTS		
Concentrates and bulk feed	189.88	187.50
Veterinary and medicines	67.75	61.41
Other livestock costs	115.66	137.33
Allocatable contracting	17.20	7.22
Forage variable costs	205.72	211.55
TOTAL VARIABLE COSTS	596.21	605.01
GROSS MARGIN	654.48	1,063.29

GROSS MARGINS: HILL SUCKLER COWS		
	All herds	Top third
Number of herds in sample	103	34
Herd size (breeding cows)	43	37
Calves reared (numbers per cow)	0.84	0.90
Finished cattle sales (£ per head)	1,712	1,723
Store cattle sales (£ per head)	1,365	1,549
ENTERPRISE OUTPUT	£ per cow	£ per cow
Calf and store cattle sales	1,045.01	1,180.47
Bull and cow sales	209.71	267.16
Finished cattle sales	249.33	440.05
Valuation change	66.79	134.17
Cattle purchases	-272.12	-265.87
TOTAL ENTERPRISE OUTPUT	1,298.72	1,755.98
VARIABLE COSTS		
Concentrates and bulk feed	256.03	222.96
Veterinary and medicines	45.94	48.98
Other livestock costs	121.25	134.58
Allocatable contracting	10.09	6.33
Forage variable costs	171.81	192.17
TOTAL VARIABLE COSTS	605.12	605.02
GROSS MARGIN	693.60	1,150.96

GROSS MARGINS: HILL AND UPLAND DAIRY		2024/25
	All herds	Top third
Number of herds in sample	59	20
Herd size (dairy cows)	191	202
Milk yield (litres per cow)	6,799	7,763
Milk price (pence per litre)	42.38	44.37
ENTERPRISE OUTPUT	£ per cow	£ per cow
Milk	2,880.16	3,443.22
Calves	192.67	221.04
Bull and cow sales	257.67	338.58
Valuation change	30.59	61.87
Cattle purchases	-386.24	-452.29
TOTAL ENTERPRISE OUTPUT	2,974.85	3,612.42
VARIABLE COSTS		
Concentrates and bulk feed	828.26	922.99
Veterinary and medicines	69.31	89.39
Other livestock costs	208.91	228.45
Allocatable contracting	63.14	67.07
Forage variable costs	238.04	236.86
TOTAL VARIABLE COSTS	1,407.66	1,544.76
GROSS MARGIN	1,567.19	2,067.66

GROSS MARGINS: LOWLAND DAIRY		
	All herds	Top third
Number of herds in sample	51	17
Herd size (dairy cows)	228	244
Milk yield (litres per cow)	7,699	8,787
Milk price (pence per litre)	43.20	43.84
ENTERPRISE OUTPUT	£ per cow	£ per cow
Milk	3,325.20	3,852.11
Calves	183.58	175.62
Bull and cow sales	322.65	377.04
Valuation change	37.18	49.81
Cattle purchases	-452.18	-473.35
TOTAL ENTERPRISE OUTPUT	3,416.43	3,981.23
VARIABLE COSTS		
Concentrates and bulk feed	975.31	1,071.57
Veterinary and medicines	74.98	76.49
Other livestock costs	226.07	238.06
Allocatable contracting	103.88	63.25
Forage variable costs	222.86	240.92
TOTAL VARIABLE COSTS	1,603.10	1,690.29
GROSS MARGIN	1,813.33	2,290.94

LAMB PRODUCTION COSTS

2024/25

Pence per kg liveweight	All farms	Top third	Bottom third
Number of farms	136	45	45
Feed	62.89	49.13	76.65
Veterinary and medicines	17.23	15.77	18.48
Other livestock costs	26.02	25.08	26.34
Forage	31.58	23.97	41.59
TOTAL VARIABLE COSTS	137.72	113.95	163.06
FLOCK REPLACEMENT	20.14	11.49	25.45
Paid labour	11.40	7.69	18.74
Power and machinery	66.63	45.31	95.36
Buildings	18.77	14.79	25.64
General farm costs	34.52	24.15	47.92
Rent	10.53	8.50	13.06
Finance	10.17	5.60	13.94
TOTAL OVERHEAD COSTS	152.02	106.04	214.66
TOTAL COSTS	309.88	231.48	403.17
NET MARGIN	-0.43	86.34	-99.86
Lambs reared (nos. per ewe)	1.27	1.39	1.15
Flock size	589	656	538
Average lamb liveweight (kg)	40.54	41.87	39.28

MILK PRODUCTION COSTS

Pence per litre	All farms	Top third	Bottom third
Number of farms	110	37	37
Feed	11.85	10.26	13.80
Veterinary and medicines	1.01	0.97	1.08
Other livestock costs	4.21	3.72	4.91
Forage	3.28	2.71	3.55
TOTAL VARIABLE COSTS	20.35	17.66	23.34
HERD REPLACEMENT	1.17	0.11	2.07
Paid labour	1.41	1.32	1.67
Power and machinery	3.93	3.61	3.89
Buildings	1.81	1.81	1.72
General farm costs	2.51	2.25	2.61
Rent	0.58	0.39	0.73
Finance	1.53	1.02	2.01
TOTAL OVERHEAD COSTS	11.77	10.40	12.63
TOTAL COSTS	33.29	28.17	38.04
NET MARGIN	12.47	19.33	6.06
Margin over concentrates	31.73	34.31	28.95
Milk price	42.79	44.15	41.46

BEEF PRODUCTION COSTS: SUCKLED CALF 2024/25

Pence per kg liveweight	All farms	Top third	Bottom third
Number of farms	56	19	19
Feed	15.14	7.32	28.24
Veterinary and medicines	13.38	12.20	17.13
Other livestock costs	26.63	21.87	29.31
Forage	36.80	27.15	46.55
TOTAL VARIABLE COSTS	91.95	68.54	121.23
HERD REPLACEMENT	0.59	-26.70	20.46
Paid labour	8.66	7.46	10.50
Power and machinery	71.37	52.01	88.98
Buildings	26.04	19.58	34.54
General farm costs	38.50	26.47	51.27
Rent	8.13	8.24	10.64
Finance	11.23	11.00	14.90
TOTAL OVERHEAD COSTS	163.93	124.76	210.83
TOTAL COSTS	256.47	166.60	352.52
NET MARGIN	-8.75	83.42	-111.76

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	29	10	10
Feed	124.62	73.59	177.04
Veterinary and medicines	5.63	4.60	6.24
Other livestock costs	40.77	27.66	57.43
Forage	54.65	42.09	63.35
TOTAL VARIABLE COSTS	225.67	147.94	304.06
Paid labour	10.61	1.16	18.69
Power and machinery	81.47	53.30	115.50
Buildings	23.21	18.06	34.27
General farm costs	36.52	27.58	39.83
Rent	16.59	15.97	18.15
Finance	14.67	9.98	21.84
TOTAL OVERHEAD COSTS	183.07	126.05	248.28
TOTAL COSTS	408.74	273.99	552.34
NET MARGIN	15.29	157.39	-141.56

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

Farm Profit Demands

Profit is required to fund:

- Personal drawings from the business,
- Loan (capital) repayments,
- Capital expenditure / investment,
- Personal taxation, and
- Risk and reward of entrepreneurial endeavour

The following calculation helps determine if there is sufficient profit to provide adequate cash resources:

Profit as shown in accounts

Plus: Depreciation charges for year
 Opening stocks (livestock and deadstock)
 Opening debtors and closing creditors
 Loans / HP advanced and capital introduced
 Machinery and land sales

Less: Closing stocks (livestock and deadstock)
 Closing debtors and opening creditors
 Produce used / consumed on the farm

Equals: Cash available to meet commitments

Less: Personal drawings from the business
 Loan / HP (capital) repayments
 Capital expenditure / investment
 Personal taxation

Equals: Annual Net Cash Flow (ANCF)

Ideally the ANCF should be positive in most years (seen as an improvement in farm bank balances / indebtedness). The key influences on the likelihood of a positive ANCF tend to be the following items:

- Size of profit
- Level of private drawings
- Capital expenditure
- Loan / HP repayments

Negative ANCFs (i.e. insufficient farm profitability and / or large cash demands) can significantly affect the viability of the business in the long term.