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THE FARM BUSINESS SURVEY IN WALES

Wales Farm Income Booklet

2013/14 Results

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CONTENTS	Page
Foreword	1
Overview	2
Introduction	4
Definition of Terms and Explanatory Notes	5
Whole Farm Data	
Hill cattle and sheep	7
Hill sheep	9
Upland cattle and sheep	11
Lowland cattle and sheep	13
Hill and upland dairy	15
Lowland dairy	17
Gross Margin Data	
Hill sheep	19
Upland sheep	19
Lowland sheep	20
Lowland suckler cows	20
Upland suckler cows	21
Hill suckler cows	21
Hill and upland dairy	22
Lowland dairy	22
Production Costs Data	
Lamb production costs	23
Milk production costs	23
Beef production costs : suckled calf	24
Beef production costs : finishing	24
Farming Connect	25

75 years
of the Farm Business Survey

Prifysgol
Aberystwyth
University

**Wales Farm Income Booklet
2013/14 Results**

Farm Business Survey

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Foreword

Aberystwyth University has been researching Welsh farm incomes since before the Second World War and 2011/12 was 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 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; 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
Director of Farm Business Survey

Overview

The results in this booklet consist of accounting years ending between 31st December 2013 and 31st March 2014 and therefore reflect farming conditions between January 2013 and March 2014. This overview is intended to provide context and insight into the period that the results represent.

The 2012 harvest period was a difficult time with the overall impact being poor fodder stocks and crop establishment heading into the 2012/13 winter. The long cold dry spring of 2013 resulted in farmers buying in large quantities of feed and forage and paying high prices for sometimes mixed quality. These weather-related difficulties cumulated during the spring with many areas experiencing record and prolonged snow falls at the worst possible time over lambing and crop establishment. Significant numbers of ewes and lambs, and in some cases even buildings, were lost and many hectares of winter sown crops had to be re-drilled with spring varieties. Snow on the ground only exacerbated the need for feed and forage. Eventually the weather and growing conditions improved resulting in better than anticipated 2013 harvests, both in terms of quality and quantity.

On the sheep front, the year had mixed fortunes. Heavy lamb losses coupled with significantly higher feed costs, weather-related health issues and poor early grass growth increased costs significantly. Whilst income benefited from early supply and demand fears, the higher lamb prices soon fell during mid-summer and never recovered resulting in poor performance at the gross margin level. Beef producers suffered from similar cost increases, but benefited from a very strong trade for most of 2013 although the dramatic reduction in prices paid at the start of 2014 inflicted damage on margins and resulted in a loss of confidence that remains today.

Dairy producers benefited from a significant, welcomed and sustained increase in milk prices and with 2013/14 silage pits full of quality forage margins consequently improved, although TB continually caused difficulties for many producers. On the back of improving margins dairy investment increased as existing, new and returning producers had confidence in the future.

Other aspects of note during the farming period included a favourable Euro exchange rate, significant investment in and returns from Feed in Tariff assets, and a drift away from organic production as agreements came to an end. The prolonged CAP reform initially added more uncertainty to a difficult trading and farming year.

These results highlight significant differences between 'average' and 'top-third' performing farms, across a range of efficiency measures. For example, the top third performing hill sheep farms £ per effective hectare profit was over double that of the average farm in the sample. On dairy farms top third producers made a net margin over four times that of the bottom third. Meat producers showed similar variability with lamb producers ranging from 32p/kg to losing 123p/kg, and beef producers ranging from 72p/kg to minus 62p/kg. However, all these results take no account of the cost of the farmer's labour, the absence of which may, if misused, present a false picture of the economics of production. The dairy sector best illustrates this since labour and pension costs alone can add around 6-7p/l, pushing the top producers' cost of production to over 27p/l and the bottom closer to 37p/l.

Particular attention also needs to be given to the contribution of the Single Farm Payment (SFP), other subsidies and diversified income so that the reader can examine the contribution of the 'farming' enterprises to the bottom line. For example, these three sources contributed around 40% of outputs and 250% of profits, on average, for hill sheep farms.

Introduction

Farm profitability is central to any farm business, although farmers will have many other business and personal objectives. With changes to the CAP 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 '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. 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

<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 Glastir.
<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 electricity, 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>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 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.

HILL CATTLE AND SHEEP FARMS**2013/14****WHOLE FARM DATA**

Number of farms : 119

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	43,364	362	486
Sheep	40,981	342	485
Crops and forage	1,877	16	15
Single Payment Scheme	31,007	259	297
Indirect subsidies	6,372	53	74
Miscellaneous income	6,609	55	77
TOTAL OUTPUTS	130,210	1,087	1,434
INPUTS			
Feeds	24,017	200	233
Tack and grass keep	5,225	44	46
Veterinary and medicines	4,914	41	47
Other livestock costs	8,855	74	90
Fertilisers	8,740	73	82
Other crop costs	1,956	16	18
Allocatable contracting	4,073	34	42
TOTAL VARIABLE COSTS	57,780	482	558
Paid labour	4,539	38	33
Other contracting / machinery hire	881	7	6
Fuel and repairs	11,790	98	112
Machinery depreciation	13,081	109	114
General farming costs	10,297	86	89
Land expenses	4,409	37	37
Buildings depreciation	3,462	29	32
TOTAL OVERHEAD COSTS	48,459	404	423
TOTAL INPUTS	106,239	886	981
PROFIT BEFORE RENT AND FINANCE	23,971	201	453
Rent	2,394	20	21
Finance	3,380	28	16
PROFIT AFTER RENT AND FINANCE	18,197	153	416
Unpaid labour	6,344	53	65

HILL CATTLE AND SHEEP FARMS

2013/14

	Owned	Tenant	Mixed
	£/farm	£/farm	£/farm
BALANCE SHEET			
Number of farms by tenure type	65	6	48
TOTAL ASSETS	1,030,522	285,677	1,050,034
TOTAL EXTERNAL LIABILITIES	86,395	52,402	80,029
NET WORTH	944,127	233,275	970,005
Owner equity (%)	92	82	92

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	105.84	92.73
Cereals and other crops	0.99	0.84
Rough grazing, fallow, woods etc.	42.28	46.95
TOTAL AREA (actual)	149.11	140.52
TOTAL AREA (effective)	119.86	103.92

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	42	41
Other cattle	87	92
Breeding sheep	598	546
Other sheep	392	382

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.12	1.28
Finished lamb sales (numbers per ewe)	0.83	0.91
Finished lamb sales (£ per lamb)	72.26	78.63
Calves reared (numbers per cow)	0.89	0.94
Finished cattle sales (£ per head)	1,205	1,370
Store cattle sales (£ per head)	876	945
Stocking rate (glu/adj. forage ha.)	1.05	1.17

HILL SHEEP FARMS**2013/14****WHOLE FARM DATA**

Number of farms : 118

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	14,262	96	167
Sheep	50,262	338	544
Crops and forage	1,305	9	20
Single Payment Scheme	31,224	210	292
Indirect subsidies	9,252	62	59
Miscellaneous income	4,593	31	52
TOTAL OUTPUTS	110,898	746	1,134
INPUTS			
Feeds	18,675	126	159
Tack and grass keep	5,823	39	52
Veterinary and medicines	4,238	28	42
Other livestock costs	5,904	40	58
Fertilisers	6,135	41	66
Other crop costs	1,384	9	17
Allocatable contracting	3,022	20	29
TOTAL VARIABLE COSTS	45,181	303	423
Paid labour	3,685	25	21
Other contracting / machinery hire	889	6	10
Fuel and repairs	10,816	73	99
Machinery depreciation	11,056	74	105
General farming costs	9,182	62	78
Land expenses	3,305	22	30
Buildings depreciation	2,380	16	16
TOTAL OVERHEAD COSTS	41,313	278	359
TOTAL INPUTS	86,494	581	782
PROFIT BEFORE RENT AND FINANCE	24,404	165	352
Rent	3,207	22	34
Finance	3,124	21	24
PROFIT AFTER RENT AND FINANCE	18,073	122	294
Unpaid labour	5,437	37	48

HILL SHEEP FARMS

2013/14

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	59	11	48
TOTAL ASSETS	1,127,600	202,811	765,925
TOTAL EXTERNAL LIABILITIES	69,501	57,678	89,040
NET WORTH	1,058,099	145,133	676,885
Owner equity (%)	94	72	88

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	123.07	99.40
Cereals and other crops	0.52	0.80
Rough grazing, fallow, woods etc.	89.47	30.37
TOTAL AREA (actual)	213.06	130.57
TOTAL AREA (effective)	148.77	109.30

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	13	13
Other cattle	29	35
Breeding sheep	926	882
Other sheep	573	600

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.06	1.19
Finished lamb sales (numbers per ewe)	0.69	0.80
Finished lamb sales (£ per lamb)	64.41	67.79
Calves reared (numbers per cow)	0.89	0.92
Finished cattle sales (£ per head)	1,318	1,273
Store cattle sales (£ per head)	856	848
Stocking rate (glu/adj. forage ha.)	0.69	0.98

UPLAND CATTLE AND SHEEP FARMS

2013/14

WHOLE FARM DATA

Number of farms : 92

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	41,717	403	588
Sheep	37,433	361	466
Crops and forage	6,741	65	73
Single Payment Scheme	24,742	239	276
Indirect subsidies	3,786	37	44
Miscellaneous income	6,409	62	62
TOTAL OUTPUTS	120,828	1,167	1,509
INPUTS			
Feeds	18,116	175	203
Tack and grass keep	3,197	31	23
Veterinary and medicines	3,883	37	37
Other livestock costs	6,858	66	81
Fertilisers	9,465	91	116
Other crop costs	2,440	24	30
Allocatable contracting	4,570	44	45
TOTAL VARIABLE COSTS	48,529	468	535
Paid labour	3,292	32	27
Other contracting / machinery hire	931	9	6
Fuel and repairs	10,833	105	111
Machinery depreciation	13,020	126	130
General farming costs	9,307	90	90
Land expenses	4,291	41	40
Buildings depreciation	3,301	32	38
TOTAL OVERHEAD COSTS	44,975	435	442
TOTAL INPUTS	93,504	903	977
PROFIT BEFORE RENT AND FINANCE	27,324	264	532
Rent	3,393	33	34
Finance	2,520	24	21
PROFIT AFTER RENT AND FINANCE	21,411	207	477
Unpaid labour	4,991	48	67

UPLAND CATTLE AND SHEEP FARMS

2013/14

	Owned	Tenant	Mixed
BALANCE SHEET	£/farm	£/farm	£/farm
Number of farms by tenure type	50	5	37
TOTAL ASSETS	851,829	154,819	1,019,542
TOTAL EXTERNAL LIABILITIES	50,319	1,576	93,741
NET WORTH	801,510	153,243	925,801
Owner equity (%)	94	99	91

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	97.36	112.53
Cereals and other crops	3.23	5.63
Rough grazing, fallow, woods etc.	9.75	8.03
TOTAL AREA (actual)	110.34	126.19
TOTAL AREA (effective)	103.59	120.05

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Suckler cows	31	36
Other cattle	83	128
Breeding sheep	454	526
Other sheep	308	397

PERFORMANCE INDICATORS	All farms	Top third
Lambs reared (numbers per ewe)	1.33	1.50
Finished lamb sales (numbers per ewe)	1.08	1.30
Finished lamb sales (£ per lamb)	79.25	87.47
Calves reared (numbers per cow)	0.89	0.91
Finished cattle sales (£ per head)	1,287	1,306
Store cattle sales (£ per head)	908	1,061
Stocking rate (glu/adj. forage ha.)	1.12	1.34

LOWLAND CATTLE AND SHEEP FARMS

2013/14

WHOLE FARM DATA

Number of farms : 59

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Beef	36,375	472	631
Sheep	33,133	430	558
Crops and forage	9,157	119	143
Single Payment Scheme	21,266	276	316
Indirect subsidies	2,273	29	36
Miscellaneous income	5,830	76	109
TOTAL OUTPUTS	108,034	1,402	1,793
INPUTS			
Feeds	15,117	196	209
Tack and grass keep	2,369	31	48
Veterinary and medicines	3,100	40	43
Other livestock costs	6,297	82	102
Fertilisers	6,783	88	97
Other crop costs	2,885	37	50
Allocatable contracting	3,243	42	43
TOTAL VARIABLE COSTS	39,794	516	592
Paid labour	2,694	35	54
Other contracting / machinery hire	772	10	12
Fuel and repairs	9,441	123	139
Machinery depreciation	10,474	136	142
General farming costs	9,443	123	132
Land expenses	2,854	37	47
Buildings depreciation	2,268	29	39
TOTAL OVERHEAD COSTS	37,946	493	565
TOTAL INPUTS	77,740	1,009	1,157
PROFIT BEFORE RENT AND FINANCE	30,294	393	636
Rent	4,424	57	39
Finance	2,547	33	14
PROFIT AFTER RENT AND FINANCE	23,323	303	583
Unpaid labour	4,493	58	102

LOWLAND CATTLE AND SHEEP FARMS

2013/14

	Owned	Tenant	Mixed
	£/farm	£/farm	£/farm
BALANCE SHEET			
Number of farms by tenure type	26	9	24
TOTAL ASSETS	809,048	172,245	934,487
TOTAL EXTERNAL LIABILITIES	46,080	13,468	94,086
NET WORTH	762,968	158,777	840,401
Owner equity (%)	94	92	90

	All farms	Top third
	Hectares	Hectares
PHYSICAL DATA		
LAND AREA		
Grassland and forage crops	68.85	68.13
Cereals and other crops	4.99	5.77
Rough grazing, fallow, woods etc.	7.91	9.41
TOTAL AREA (actual)	81.75	83.31
TOTAL AREA (effective)	77.06	77.71

	All farms	Top third
	Numbers	Numbers
LIVESTOCK		
Suckler cows	19	14
Other cattle	79	100
Breeding sheep	351	345
Other sheep	278	331

	All farms	Top third
PERFORMANCE INDICATORS		
Lambs reared (numbers per ewe)	1.36	1.48
Finished lamb sales (numbers per ewe)	1.26	1.36
Finished lamb sales (£ per lamb)	81.44	87.12
Calves reared (numbers per cow)	0.92	1.04
Finished cattle sales (£ per head)	1,344	1,488
Store cattle sales (£ per head)	881	1,094
Stocking rate (glu/adj. forage ha.)	1.32	1.43

HILL AND UPLAND DAIRY FARMS

2013/14

WHOLE FARM DATA

Number of farms : 66

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Dairy - milk	268,294	2,958	4,756
- other output	102	1	-43
Other cattle	42,560	469	540
Sheep	10,450	115	93
Crops and forage	5,411	60	43
Single Payment Scheme	24,854	274	404
Indirect subsidies	1,652	18	24
Miscellaneous income	4,162	46	66
TOTAL OUTPUTS	357,485	3,941	5,883
INPUTS			
Feeds	94,735	1,045	1,405
Tack and grass keep	13,349	147	232
Veterinary and medicines	10,866	120	155
Other livestock costs	23,416	258	390
Fertilisers	20,156	222	306
Other crop costs	5,798	64	69
Allocatable contracting	14,418	159	195
TOTAL VARIABLE COSTS	182,738	2,015	2,752
Paid labour	11,566	128	216
Other contracting / machinery hire	2,596	29	33
Fuel and repairs	18,893	208	260
Machinery depreciation	18,461	204	286
General farming costs	18,647	206	258
Land expenses	6,824	75	112
Buildings depreciation	9,941	110	121
TOTAL OVERHEAD COSTS	86,928	960	1,286
TOTAL INPUTS	269,666	2,975	4,038
PROFIT BEFORE RENT AND FINANCE	87,819	966	1,845
Rent	4,886	54	76
Finance	9,281	102	78
PROFIT AFTER RENT AND FINANCE	73,652	810	1,691
Unpaid labour	10,233	113	177

HILL AND UPLAND DAIRY FARMS**2013/14**

	Owned	Tenant	Mixed
	£/farm	£/farm	£/farm
BALANCE SHEET			
Number of farms by tenure type	34	3	29
TOTAL ASSETS	1,320,950	-	985,317
TOTAL EXTERNAL LIABILITIES	248,698	-	290,789
NET WORTH	1,072,252	-	694,528
Owner equity (%)	81	-	70

PHYSICAL DATA	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	86.23	64.33
Cereals and other crops	1.91	0.00
Rough grazing, fallow, woods etc.	10.12	8.15
TOTAL AREA (actual)	98.26	72.48
TOTAL AREA (effective)	90.69	66.18

LIVESTOCK	All farms	Top third
	Numbers	Numbers
Dairy cattle	127	142
Suckler cows	1	0
Other cattle	110	86
Breeding sheep	175	73
Other sheep	85	50

PERFORMANCE INDICATORS	All farms	Top third
Milk yield (litres per cow)	6,813	7,161
Margin over concentrates (£ per cow)	1,482	1,644
Milk disposal (£ per cow)	2,086	2,190
Milk price (pence per litre)	31.10	31.01
Stocking rate (glu/adj. forage ha.)	1.99	2.16

WHOLE FARM DATA

Number of farms : 57

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
OUTPUTS			
Dairy - milk	365,714	3,238	4,418
- other output	-1,886	-17	42
Other cattle	54,115	479	605
Sheep	4,682	41	11
Crops and forage	7,682	68	58
Single Payment Scheme	32,718	290	319
Indirect subsidies	1,932	17	14
Miscellaneous income	5,982	53	88
TOTAL OUTPUTS	470,939	4,169	5,555
INPUTS			
Feeds	120,189	1,064	1,381
Tack and grass keep	12,702	112	123
Veterinary and medicines	12,877	114	150
Other livestock costs	30,984	274	326
Fertilisers	21,249	188	218
Other crop costs	7,904	70	65
Allocatable contracting	19,465	172	229
TOTAL VARIABLE COSTS	225,370	1,994	2,492
Paid labour	26,251	232	155
Other contracting / machinery hire	1,782	16	9
Fuel and repairs	24,792	220	243
Machinery depreciation	24,428	216	258
General farming costs	24,272	215	232
Land expenses	8,140	72	97
Buildings depreciation	11,313	100	136
TOTAL OVERHEAD COSTS	120,978	1,071	1,130
TOTAL INPUTS	346,348	3,065	3,622
PROFIT BEFORE RENT AND FINANCE	124,591	1,104	1,933
Rent	7,989	71	23
Finance	8,528	76	42
PROFIT AFTER RENT AND FINANCE	108,074	957	1,868
Unpaid labour	10,277	91	144

LOWLAND DAIRY FARMS**2013/14**

	Owned	Tenant	Mixed
	£/farm	£/farm	£/farm
BALANCE SHEET			
Number of farms by tenure type	26	6	25
TOTAL ASSETS	1,681,849	292,529	1,472,906
TOTAL EXTERNAL LIABILITIES	198,150	28,913	297,394
NET WORTH	1,483,699	263,616	1,175,512
Owner equity (%)	88	90	80

PHYSICAL DATA

	All farms	Top third
LAND AREA	Hectares	Hectares
Grassland and forage crops	107.04	81.53
Cereals and other crops	4.50	2.73
Rough grazing, fallow, woods etc.	6.35	4.99
TOTAL AREA (actual)	117.89	89.25
TOTAL AREA (effective)	112.95	85.59

LIVESTOCK

	All farms	Top third
	Numbers	Numbers
Dairy cattle	162	149
Suckler cows	0	0
Other cattle	143	113
Breeding sheep	80	63
Other sheep	38	10

PERFORMANCE INDICATORS

	All farms	Top third
Milk yield (litres per cow)	7,069	7,887
Margin over concentrates (£ per cow)	1,589	1,821
Milk disposal (£ per cow)	2,223	2,502
Milk price (pence per litre)	31.86	32.09
Stocking rate (glu/adj. forage ha.)	2.03	2.24

GROSS MARGINS : HILL SHEEP	2013/14	
	All flocks	Top third
Number of flocks in sample	212	71
Flock size (ewes and ewe lambs put to ram)	665	550
Lambs reared (numbers per ewe)	1.07	1.30
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	3.58	3.32
- finished	50.25	72.47
Other sheep sales	13.61	18.58
Wool sales	1.76	1.97
Miscellaneous	0.03	0.01
Valuation change	0.39	2.96
Sheep purchases	-5.92	-8.03
TOTAL ENTERPRISE OUTPUT	63.70	91.28
VARIABLE COSTS		
Concentrates and bulk feed	18.77	20.43
Stock keep	3.06	2.58
Veterinary and medicines	4.47	5.04
Other livestock costs	5.49	6.67
Allocatable contracting	1.08	1.14
Forage variable costs	11.46	12.31
TOTAL VARIABLE COSTS	44.33	48.17
GROSS MARGIN	19.37	43.11

GROSS MARGINS : UPLAND SHEEP	2013/14	
	All flocks	Top third
Number of flocks in sample	71	24
Flock size (ewes and ewe lambs put to ram)	485	527
Lambs reared (numbers per ewe)	1.36	1.55
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	3.08	4.69
- finished	91.52	113.20
Other sheep sales	14.28	19.38
Wool sales	2.27	2.13
Miscellaneous	0.04	0.01
Valuation change	0.02	4.57
Sheep purchases	-15.35	-21.33
TOTAL ENTERPRISE OUTPUT	95.86	122.65
VARIABLE COSTS		
Concentrates and bulk feed	23.85	21.89
Stock keep	1.19	0.74
Veterinary and medicines	5.49	5.11
Other livestock costs	7.18	8.05
Allocatable contracting	1.23	1.28
Forage variable costs	16.60	13.91
TOTAL VARIABLE COSTS	55.54	50.98
GROSS MARGIN	40.32	71.67

GROSS MARGINS : LOWLAND SHEEP	2013/14	
	All flocks	Top third
Number of flocks in sample	48	16
Flock size (ewes and ewe lambs put to ram)	371	383
Lambs reared (numbers per ewe)	1.38	1.54
ENTERPRISE OUTPUT	£ per ewe	£ per ewe
Lamb sales - store	0.31	0.00
- finished	103.07	120.42
Other sheep sales	15.71	15.56
Wool sales	2.32	2.55
Miscellaneous	0.00	0.00
Valuation change	-0.61	0.72
Sheep purchases	-16.52	-11.95
TOTAL ENTERPRISE OUTPUT	104.28	127.30
VARIABLE COSTS		
Concentrates and bulk feed	22.25	22.81
Stock keep	1.52	1.64
Veterinary and medicines	6.74	6.43
Other livestock costs	8.62	8.87
Allocatable contracting	1.34	1.08
Forage variable costs	15.11	14.28
TOTAL VARIABLE COSTS	55.58	55.11
GROSS MARGIN	48.70	72.19

GROSS MARGINS : LOWLAND SUCKLER COWS	2013/14	
	All herds	Top third
Number of herds in sample	23	8
Herd size (breeding cows)	37	38
Calves reared (numbers per cow)	0.81	0.88
Finished cattle sales (£ per head)	1,329	1,406
Store cattle sales (£ per head)	809	1,030
ENTERPRISE OUTPUT	£ per cow	£ per cow
Calf and store cattle sales	271.77	147.57
Bull and cow sales	98.23	120.20
Finished cattle sales	745.19	1,110.67
Valuation change	-9.61	71.34
Cattle purchases	-129.77	-153.40
TOTAL ENTERPRISE OUTPUT	975.81	1,296.38
VARIABLE COSTS		
Concentrates and bulk feed	146.51	129.46
Veterinary and medicines	32.26	26.29
Other livestock costs	99.06	101.07
Allocatable contracting	1.27	1.77
Forage variable costs	226.71	191.13
TOTAL VARIABLE COSTS	505.81	449.72
GROSS MARGIN	470.00	846.66

GROSS MARGINS : UPLAND SUCKLER COWS		2013/14
	All herds	Top third
Number of herds in sample	45	15
Herd size (breeding cows)	48	50
Calves reared (numbers per cow)	0.87	0.90
Finished cattle sales (£ per head)	1,316	1,355
Store cattle sales (£ per head)	914	996
ENTERPRISE OUTPUT	£ per cow	£ per cow
Calf and store cattle sales	574.09	505.68
Bull and cow sales	103.59	113.12
Finished cattle sales	267.50	474.74
Valuation change	94.66	111.28
Cattle purchases	-165.88	-162.72
TOTAL ENTERPRISE OUTPUT	873.96	1,042.10
VARIABLE COSTS		
Concentrates and bulk feed	180.07	143.85
Veterinary and medicines	41.14	44.62
Other livestock costs	83.48	73.03
Allocatable contracting	5.87	6.36
Forage variable costs	205.46	174.18
TOTAL VARIABLE COSTS	516.02	442.04
GROSS MARGIN	357.94	600.06

GROSS MARGINS : HILL SUCKLER COWS		2013/14
	All herds	Top third
Number of herds in sample	140	47
Herd size (breeding cows)	35	33
Calves reared (numbers per cow)	0.90	0.91
Finished cattle sales (£ per head)	1,222	1,322
Store cattle sales (£ per head)	900	997
ENTERPRISE OUTPUT	£ per cow	£ per cow
Calf and store cattle sales	713.96	787.78
Bull and cow sales	121.94	129.92
Finished cattle sales	229.79	283.81
Valuation change	32.03	61.90
Cattle purchases	-193.25	-211.44
TOTAL ENTERPRISE OUTPUT	904.47	1,051.97
VARIABLE COSTS		
Concentrates and bulk feed	238.80	174.27
Veterinary and medicines	47.43	39.36
Other livestock costs	100.15	88.52
Allocatable contracting	5.05	4.19
Forage variable costs	178.94	176.34
TOTAL VARIABLE COSTS	570.37	482.68
GROSS MARGIN	334.10	569.29

GROSS MARGINS : HILL AND UPLAND DAIRY		2013/14
	All herds	Top third
Number of herds in sample	72	24
Herd size (dairy cows)	122	114
Milk yield (litres per cow)	6,791	8,006
Milk price (pence per litre)	31.05	31.61
ENTERPRISE OUTPUT	£ per cow	£ per cow
Milk	2,109.37	2,530.53
Calves	124.36	143.72
Bull and cow sales	155.75	202.00
Valuation change	103.36	62.38
Cattle purchases	-377.13	-347.31
TOTAL ENTERPRISE OUTPUT	2,115.71	2,591.32
VARIABLE COSTS		
Concentrates and bulk feed	614.78	637.19
Veterinary and medicines	68.59	78.27
Other livestock costs	142.97	136.77
Allocatable contracting	19.86	10.58
Forage variable costs	207.58	231.05
TOTAL VARIABLE COSTS	1,053.78	1,093.86
GROSS MARGIN	1,061.93	1,497.46

GROSS MARGINS : LOWLAND DAIRY		2013/14
	All herds	Top third
Number of herds in sample	57	19
Herd size (dairy cows)	162	132
Milk yield (litres per cow)	7,069	8,369
Milk price (pence per litre)	31.86	31.87
ENTERPRISE OUTPUT	£ per cow	£ per cow
Milk	2,251.96	2,666.69
Calves	101.08	118.14
Bull and cow sales	150.26	183.50
Valuation change	52.30	30.68
Cattle purchases	-315.25	-263.78
TOTAL ENTERPRISE OUTPUT	2,240.35	2,735.23
VARIABLE COSTS		
Concentrates and bulk feed	672.49	693.49
Veterinary and medicines	70.46	74.33
Other livestock costs	160.57	172.36
Allocatable contracting	30.66	26.68
Forage variable costs	192.52	247.03
TOTAL VARIABLE COSTS	1,126.70	1,213.89
GROSS MARGIN	1,113.65	1,521.34

LAMB PRODUCTION COSTS		2013/14	
Pence per kg liveweight	All farms	Top third	Bottom third
Number of farms	136	45	45
Feed	50.97	41.13	62.64
Veterinary and medicines	11.22	9.43	13.30
Other livestock costs	16.98	15.79	18.96
Forage	28.37	21.16	36.12
TOTAL VARIABLE COSTS	107.54	87.51	131.02
FLOCK REPLACEMENT	20.58	14.46	27.79
Paid labour	6.13	4.21	8.26
Power and machinery	48.22	32.49	68.81
Buildings	12.71	8.14	17.18
General farm costs	20.23	14.58	28.79
Rent	7.40	4.42	12.02
Finance	6.11	1.58	10.46
TOTAL OVERHEAD COSTS	100.80	65.42	145.52
TOTAL COSTS	228.92	167.39	304.33
NET MARGIN	-39.45	31.88	-122.74
Lambs reared (nos. per ewe)	1.29	1.47	1.09
Flock size	641	530	675
Average lamb liveweight (kg)	38.79	40.74	36.16

MILK PRODUCTION COSTS		2013/14	
Pence per litre	All farms	Top third	Bottom third
Number of farms	119	40	40
Feed	8.68	7.35	9.86
Veterinary and medicines	0.98	0.83	1.10
Other livestock costs	2.59	2.08	3.10
Forage	2.86	2.60	3.28
TOTAL VARIABLE COSTS	15.11	12.86	17.34
HERD REPLACEMENT	1.86	1.32	2.63
Paid labour	0.91	0.51	1.55
Power and machinery	3.03	2.80	3.31
Buildings	1.16	1.06	1.40
General farm costs	1.51	1.34	1.80
Rent	0.38	0.29	0.43
Finance	0.56	0.22	1.08
TOTAL OVERHEAD COSTS	7.55	6.22	9.57
TOTAL COSTS	24.52	20.40	29.54
NET MARGIN	8.36	13.20	3.19
Margin over concentrates	22.65	24.47	21.24
Milk price	31.06	31.59	30.78

BEEF PRODUCTION COSTS : SUCKLED CALF **2013/14**

Pence per kg liveweight	All farms	Top third	Bottom third
Number of farms	74	25	25
Feed	25.21	15.18	42.27
Veterinary and medicines	12.55	8.58	15.81
Other livestock costs	19.16	13.42	30.69
Forage	49.46	41.29	59.54
TOTAL VARIABLE COSTS	106.38	78.47	148.31
HERD REPLACEMENT	10.75	1.85	17.70
Paid labour	10.53	4.02	16.61
Power and machinery	82.18	59.80	114.19
Buildings	24.00	15.86	34.66
General farm costs	32.97	26.68	43.79
Rent	5.54	3.62	6.36
Finance	9.97	4.15	19.17
TOTAL OVERHEAD COSTS	165.19	114.13	234.78
TOTAL COSTS	282.32	194.45	400.79
NET MARGIN	-111.40	-6.96	-241.52

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

BEEF PRODUCTION COSTS : FINISHING **2013/14**

Pence per kg liveweight	All farms	Top third	Bottom third
Number of farms	25	8	8
Feed	63.35	47.46	79.96
Veterinary and medicines	4.32	4.04	4.19
Other livestock costs	31.23	33.08	32.20
Forage	41.34	45.71	40.93
TOTAL VARIABLE COSTS	140.24	130.29	157.28
Paid labour	7.37	2.22	9.45
Power and machinery	58.51	60.62	65.85
Buildings	15.42	13.15	21.53
General farm costs	21.60	22.38	23.75
Rent	7.85	13.25	4.32
Finance	7.64	4.44	14.57
TOTAL OVERHEAD COSTS	118.39	116.06	139.47
TOTAL COSTS	258.63	246.35	296.75
NET MARGIN	3.81	72.35	-62.05

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

Farming Connect – providing support, advice and guidance to help your farm or forestry business reach its potential

Our regionally based delivery staff can help you access a package of support, tailored to supporting and developing your business.

Our wide range of fully funded Farming Connect events, meetings, discussion groups and workshops, will keep you up to date with the latest technical information and guidance, while also enabling you to:

- Consider new ideas and more efficient ways of working
- Benefit from technical and business support
- Reduce inputs and increase efficiency
- Identify areas for improvement and find solutions to problems
- Keep up to date with industry developments and benchmark your performance
- Share best practice and benefit from the knowledge and expertise of other farmers and industry experts

For more information on the current Farming Connect programme visit www.farmingconnect.co.uk or keep up to date by visiting www.wales.gov.uk/gwlad

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

The current Farming Connect Programme will continue until 31 March 2015. A new programme of support may be made available through the Welsh Government's proposed Knowledge Transfer and Advisory services within the Rural Development Programme for Wales 2014-2020. The Wales Rural Development Programme 2014-2020 schemes are subject to change until the full programme has been agreed by the European Commission