

Farm Incomes in Northern Ireland

2018/19



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**FARM INCOMES
IN
NORTHERN IRELAND
2018/19**

A National Statistics Publication

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Foreword and Acknowledgements

This report on Farm Incomes in Northern Ireland, the twenty-seventh in the series, is based on information collected in the annual Farm Business Survey (FBS) which is undertaken by Policy, Economics and Statistics Division within the Department of Agriculture, Environment and Rural Affairs. The report includes much of the detailed information collected in the FBS and also provides an analytical commentary on the figures.

Most of the data in this report refer to the 2018/19 account year, which has an average year end of mid-February 2019 for the 350 farms in the survey. The farmers who participate in the survey do so voluntarily and their accounting information is provided on a confidential basis. Their co-operation in this survey is greatly appreciated, both for the information it provides on income levels and for the contribution it makes to knowledge of the economics of production.

Within the report, Farm Business Income is the headline measure of farm incomes. This measure was introduced in 2008 following consultation in 2006/07. In light of views expressed during the consultation it was decided that the previous headline measure, Net Farm Income, would continue to be published but as a secondary measure.

There are a number of key personnel in the Division whose contributions are important to the smooth operation of the data collection and analysis within the Farm Business Survey. These include Paul Keatley and Myles Patton who have day to day responsibility for managing the survey, and the Farm Accounts Officers who provide guidance to the farmers in the FBS on the keeping of accounts and ensure that the information collected is comprehensive and accurate. Acknowledgement is also made of David Playfair who assisted in preparation of the report and the vital contributions made by administrative staff involved in the preparation and analysis of the accounting information.

It is hoped that those working in or otherwise involved with the agri-food sector will find the information contained in this publication useful. Suggestions for changes in content or format are always welcome and should be forwarded to:

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March 2020

EXECUTIVE SUMMARY

1. The average Farm Business Income across all farm businesses above 0.5 Standard Labour Requirements (SLRs) decreased from £33,410 to £28,612 per farm between 2017/18 and 2018/19. This resulted from an increase of 3.7% in the average value of farm output and an average increase in expenditure on inputs of 8.8%.
2. For the main farming enterprises, increases in gross margin between 2017/18 and 2018/19 were recorded for Spring Barley, Winter Barley, Winter Wheat and Potato enterprises. Whereas, decreases were recorded for Dairy cows, SDA beef cows, DA beef cows, Lowland beef cows, SDA breeding ewes, DA breeding ewes, Lowland breeding ewes and Pigs enterprises.
3. Between 2017/18 and 2018/19 increases in Farm Business Income were recorded on 2 of the 7 main types of farm covered in the Farm Business Survey (FBS). Income results show that average Farm Business Income increased by £25,796 on Cereal farms and £90,203 on General Cropping farms.
4. A Farm Business Income above £10,000 was achieved by 67% of the farm businesses in the FBS in 2018/19; 17% of the farms incurred a loss.
5. Cash Income per farm, which is the difference between cash receipts and expenditure, decreased from an average of £51,470 in 2017/18 to £48,419 in 2018/19. This income measure provides the average amount of cash available per farm to cover living expenses and investment expenditure.
6. Direct payments decreased by £805 per farm between 2017/18 and 2018/19 and averaged £25,840 per farm and £303 per hectare in 2018/19 (Section 2.4). Direct payments represented 90% of Farm Business Income and 53% of Cash Income generated across all types of farm in Northern Ireland.
7. Five of the seven main types of farm business generated a positive Farm Business Income in 2018/19 when direct subsidy receipts were not included in the value of farm output (Section 2.5). These five farm types are Cereal, General Cropping, Pig, Dairy and Mixed farm types. Those generating a negative Farm Business Income were Cattle and Sheep (LFA) and Cattle and Sheep (Lowland) farm types.
8. During the past 8 years the Farm Business Income on Dairy farms has been on average £29,158 per farm higher than that for Cattle and Sheep (LFA) farms. Dairy and LFA Cattle and Sheep type farms account for 67% of the farms classified as full-time businesses. (Section 2.6)
9. Off-farm income of the farmer and spouse averaged £10,587 per farm in 2018/19. However, on 26% of farm businesses no off-farm income was received by the farmer and spouse. This income source includes other employment off the farm, investments, pensions and social payments. (Section 2.7)

10. In 2018/19, only the spouse of the farmer on 24% of the farms had off-farm employment, on a further 5% of farms the farmer had off-farm employment and on another 4% of farms both the farmer and spouse had off-farm employment.
11. The average level of net investment per farm increased from £21,238 in 2017/18 to £25,745 in 2018/19. Investment levels in 2018/19 were the fifth highest recorded in the past 10 years when inflation is taken into account. (Section 2.8)
12. External liabilities (mainly bank borrowings) averaged £50,152 per farm and equated to 3.7% of the total value of farm assets. On only 5% of farms, external liabilities represented more than 15% of the value of farm assets. (Section 3.1)
13. There were no bank borrowings recorded by 47% of farms in 2018/19 and 82% had borrowings of less than £50,000 per farm. (Section 3.3)
14. At farm enterprise level:

Dairy Cows

- (i) The average gross margin per dairy cow decreased by £89, from £1,058 in 2017/18 to £968 in 2018/19. This decrease was due to a rise in variable costs.
- (ii) The difference in herd gross margin between those in the top 25% and bottom 25% performance groups amounted to £73,169 for a herd of average size in the Farm Business Survey. (Section 4.1)

Suckler Cows

- (i) The average gross margins for SDA, DA and Lowland cows decreased by £33, £24 and £37 per cow respectively between 2017/18 and 2018/19.
- (ii) Lowland suckler cow herds had the highest average gross margin per cow, at £253, while DA herds averaged £175 and SDA herds £158 in 2018/19. (Section 4.2)

Sheep

- (i) The average gross margins for Lowland, DA and SDA breeding ewes decreased by £4, £8 and £11 per ewe respectively between 2017/18 and 2018/19.
- (ii) In 2018/19, the highest average gross margin per ewe of £61 was achieved by the Lowland flocks. This gross margin was £25 higher than for ewes in DA flocks and £50 higher than for ewes in SDA (hill) flocks. (Section 4.3)

Pigs

On birth to bacon pig units the average gross margin per pig decreased from £45.34 in 2017/18 to £36.75 in 2018/19. Between 2017/18 and 2018/19, the average output for pigs decreased by £5.28 per pig and the average cost of variable inputs increased by £3.31 per pig. (Section 4.4)

Cereals

- (i) The average gross margins per hectare for spring barley, winter barley and winter wheat crops were higher in 2018/19 than in 2017/18. Increases in gross margin per hectare were spring barley (£404), winter barley (£411) and winter wheat (£288).
- (ii) The winter barley crop had the highest average gross margin of the three main cereal crops, at £1,635 per hectare, followed by winter wheat at £1,550 and spring barley at £967. (Sections 4.5-4.7)

Potatoes

The average gross margin for ware potatoes increased from £2,173 per hectare in 2017/18 to £5,808 per hectare in 2018/19, an increase of £3,635. The ware crop yield per hectare increased from 25.7 tonnes in 2017/18 to 31.4 tonnes in 2018/19, whereas, the ware potato price per tonne increased by £130 per tonne from £150 per tonne in 2017/18 to £280 per tonne in 2018/19. (Sections 4.8)

Fixed Costs

- 15. The average levels of fixed costs (excluding labour) per hectare across all farm types were higher in 2018/19 than in 2017/18, at £591 and £564 respectively. (Section 5.0)

1. THE FARM BUSINESS SURVEY

1.1 Introduction

The data on farm incomes presented in this report are based on accounting information collected in the Farm Business Survey (FBS), which is conducted annually by the Policy, Economics and Statistics Division of the Department of Agriculture, Environment and Rural Affairs. Similar surveys are carried out in the other countries of the UK and these, along with the Northern Ireland FBS constitute the UK's contribution to the Farm Accounts Data Network (FADN) of the European Union, which was established under EC Regulation 79/65. The Northern Ireland accounting data, along with those for the other regions of the UK are forwarded to the EU Commission in Brussels. There, the information together with that from the other EU Member States is used in the formulation and appraisal of agricultural policy as well as in monitoring the income levels in each Member State. Further information on FADN and the results for all Member States are available on the following websites:

- <http://ec.europa.eu/agriculture/rica/index.cfm>
- http://ec.europa.eu/agriculture/analysis/fadn/index_en.htm

Extensive use of the Northern Ireland data is also made at regional and UK levels to monitor and assess the impact of policy changes and for advisory, teaching and research purposes. UK farm incomes data are published on the Internet at <https://www.gov.uk/agriculture-in-the-united-kingdom> by the Department of Environment, Food and Rural Affairs (DEFRA). "Farm Incomes in Northern Ireland" provides more detailed results for Northern Ireland, and more extensive analyses and interpretation of the information, than is possible at UK level.

1.2 Farm Business Survey Sample

The sample of farms in the FBS is representative in terms of types and sizes of almost all of the population of farm businesses above 0.5 Standard Labour Requirements (SLRs) (see Appendix 4 for definition) in Northern Ireland. The only significant types of farm business excluded from the FBS are Horticulture and Poultry.

The size threshold of 0.5 SLRs for farms in the survey corresponds with that in the other three countries of the UK. However, in recognition of the fact that Northern Ireland has 13,875 Cattle and Sheep farms which have an employment requirement of less than 0.5 SLRs, a sub-sample of farms of this type is included in the farms surveyed.

In Northern Ireland, farm accounts information was received from 350 farm businesses for the 2018/19 accounting year. All of these farms participate on a voluntary basis with 71% having provided information for at least 10 years. A smaller sample of 265 farm businesses over 0.5 SLRs in size provided information for both the 2017/18 and 2018/19 account years and this constitutes the 'identical sample' of farms. The end of the account year for 86% of the farms falls between 31 December and 30 April. Thus, the 2018/19 account year information presented in this report refers to the 2018 crop and grassland production years.

Each year, a small proportion of farms in the survey are replaced. This occurs for a number of reasons such as retirement or simply a decision by the farmers concerned not to continue to record farming activities in the detail required for the FBS. When farms cease to participate, their replacements are selected on a random basis so that the sample is representative of the total farm population. To ensure that changes in the sample do not affect comparisons between years, an identical sample of farms in both years is used.

With crops utilising only 4%, and forestry 2%, of the land on agricultural holdings in Northern Ireland, the main land using farm enterprises are grass based. The main enterprises are, therefore, dairying, beef cattle and sheep. This is reflected in the FBS sample of farms, details of which are given in Table 1. On average, a target sampling rate of farms of 2.75% has been used across all farm types since 1992/93.

Table 1 Numbers of farms in Northern Ireland and in the Farm Business Survey above 0.5 SLR's by type of farming, 2018/19

Type of Farm Business ^{***}	Number of Farm Businesses	
	Northern Ireland*	FBS Sample**
Cereals	107	4
General Cropping	132	3
Horticulture	213	0
Pigs	145	9
Poultry	585	0
Dairy	2564	101
Cattle and Sheep (LFA)	4199	97
Cattle and Sheep (Lowland)	1752	36
Mixed	344	15
Others	33	0
All Types	10074 *	265 **

* Number of farm businesses above 0.5 SLRs in size at June 2018 Census; there are 14,821 farms in Northern Ireland under 0.5 SLRs.

** Refers to the number of farms above 0.5 SLRs in size, which provided information in both the 2017/18 and 2018/19 account years, and which were used in the analyses. A further 50 cattle and sheep farms of less than 0.5 SLRs in size provided information in both years.

*** The EU and UK system for classification of farms into particular types was revised in the 2010/11 year. Farms are now classified in terms of Standard Output (SO) compared to Standard Gross Margin (SGM) previously. Further details of this change and its impact on the measurement of Farm Incomes are presented in section 6 of the Farm Incomes in Northern Ireland 2010/11 publication.

2. FARMING INCOMES

2.1 Measures of Income

As indicated in Figure 1, it is possible to define farm income in a number of ways. **Farm Business Income (FBI)** was introduced in 2008 as the headline measure of farm income following consultation by DAERA in 2006-07. FBI was also introduced in England, Scotland, and Wales and is now used for UK farm income statistics. It is closely aligned to the main EU measure of farm incomes 'Family Farm Income' and therefore allows easier comparison between Northern Ireland and other Member States. FBI is the return to all unpaid labour (farmer, spouses and others with an entrepreneurial interest in the farm business) and to their capital invested in the farm business which includes land and buildings.

Net Farm Income (NFI), the previous headline measure of farm income will continue to be published as a secondary measure as decided during the consultation. NFI represents the return to the farmer and spouse for their manual and managerial labour and tenant-type capital invested in the farm business. In order for NFI to represent the return to farmer and spouse alone, a notional deduction is made for any unpaid labour that is provided in addition to that of the farmer or spouse. Also, to confine NFI to tenant type activities and assets of the business an imputed rent is firstly deducted for owner occupied land and buildings and for landlord-type improvements made by the tenant. Secondly, no account is taken of interest paid on any farming loans, overdrafts or mortgages or any interest earned on financial assets.

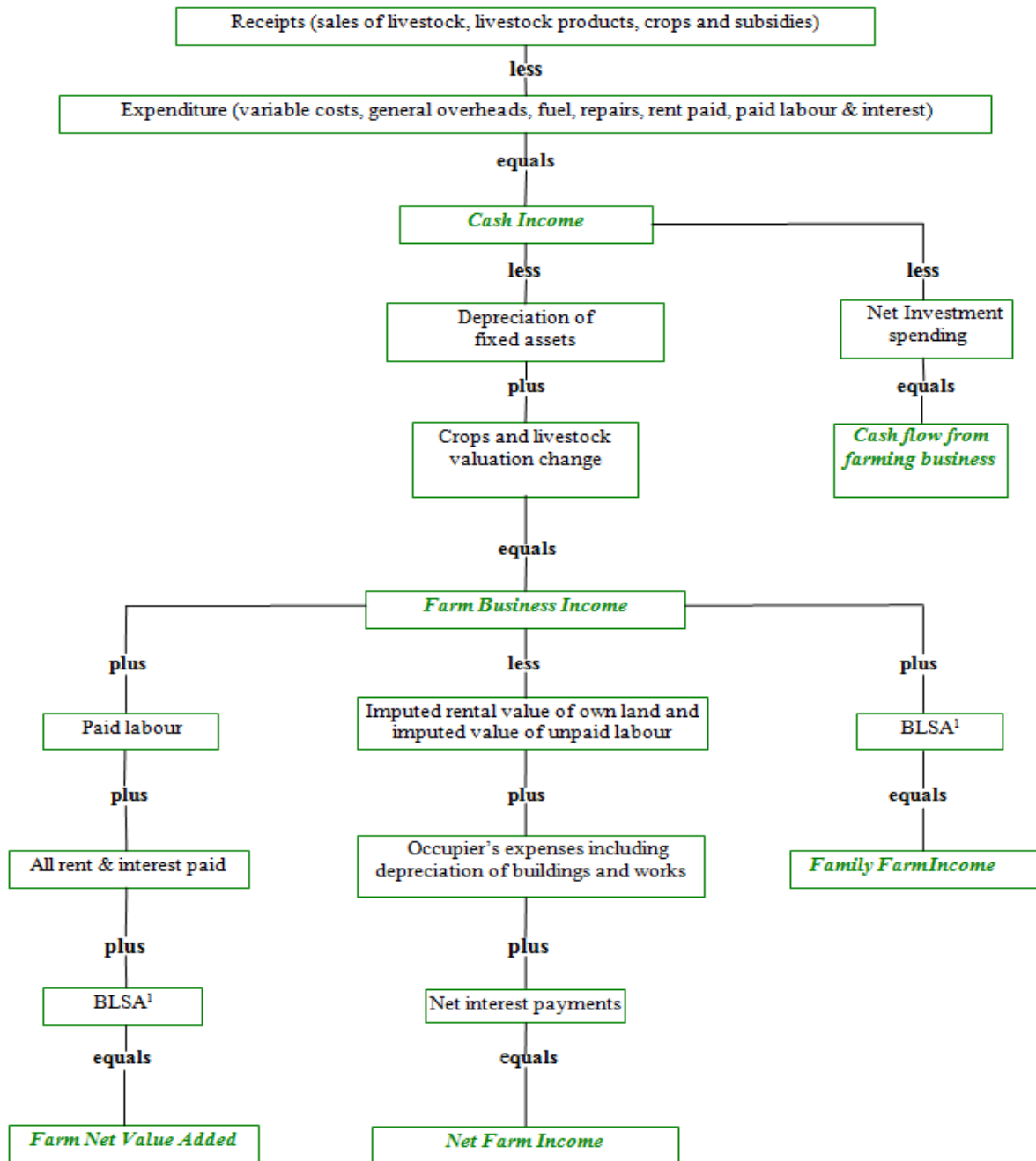
FBI differs from NFI in that it represents the return to all unpaid labour, not just the farmer and spouse and it treats the tenure of farms as it is: tenants as tenants, owner occupiers as owner occupiers and those with both types of tenure as mixed.

Another useful income measure is **Cash Income (CI)** which is simply cash receipts less expenditure. This measure excludes notional items such as depreciation and the effects of livestock and crop valuation changes. It is a measure of the return to all those with an entrepreneurial stake in the business. **Cash flow** from the farm business may be derived from Cash Income by deducting net investment expenditure.

Farm Net Value Added (FNVA) and **Family Farm Income (FFI)** are the two measures used in EU farm incomes publications. FNVA is the sum which is available to reward all factors of production i.e. all the labour, land, and capital used on the farm, irrespective of who owns them. Thus, no charge is made against these factors in the determination of FNVA. Family Farm Income is almost identical to Farm Business Income.

These various measures of income make it possible to provide a more comprehensive assessment of the changes which take place between years on farms than would the use of one measure on its own. The relationship between each of these measures is shown in Figure 1.

Figure 1: Measures of Farm Income



1. Breeding Livestock Stock Appreciation

Having different measures of income, the infrequent user of income data may be in a quandary as to which income measure to use. However, as with many statistics, the various income measures have specific roles. Quite often the wrong income measure is used. Farm Business Income is an appropriate measure of the return to the farm household for their labour and capital resources invested in the farm business. Net Farm Income is an appropriate measure of income where the aim is to put different types of

farm tenure on an equal basis. Cash Income is calculated as the difference between cash receipts and cash expenditures (excluding investments) and therefore provides a measure of the cash available to the farm household.

There are many measures of farm income available to enable users to have at their disposal a range of measures which can be used to assist with descriptions of a number of specific farming situations. Their misuse can of course result in misleading conclusions. This is very evident when the range in the absolute levels of income from the different measures is considered.

2.2 Income Levels in 2017/18 and 2018/19

Average Farm Business Income, Cash Income, and Net Farm Income measured across all farm types is shown in Table 2a for the accounting years 2017/18 and 2018/19. As shown, average Farm Business Income decreased between 2017/18 and 2018/19 by £4,798 or 14.4% per farm. This resulted from a 3.7% increase in the value of outputs and an 8.8% increase in expenditure on inputs between 2017/18 and 2018/19. On the other hand, average Cash Income decreased by £3,051 or 5.9% when compared to the previous year. When measuring Farm Income using the previous headline measure Net Farm Income, an average decrease of £5,830 or 21.0% per farm occurred between 2017/18 and 2018/19.

Table 2a Average farm income (all types, above 0.5 SLRs)¹

	2017/18	2018/19
	£	£
Farm Business Income	33,410	28,612
Cash Income	51,470	48,419
Net Farm Income	27,755	21,925

1. Based on data from an identical sample of farms.

Farm Business Incomes by individual farm types are presented in Table 2b for the 2017/18 and 2018/19 account years. This shows that average Farm Business Income increased between 2017/18 and 2018/19 on 2 of the 7 main farm types. The two farm types which showed an increase in average Farm Business Income were Cereal and General Cropping farms.

On Dairy farms the average Farm Business Income decreased from £68,135 in 2017/18 to £57,798 in 2018/19, which is a decrease of £10,337 per farm. This decrease in income was the net result of a 4.6% (£13,610) increase in the value of outputs and a 10.5% (£23,947) increase in expenditure on inputs between 2017/18 and 2018/19. The main reason for the increase in output between the years was the £5,511 increase in milk output. In terms of inputs, the main increases in expenditure were recorded for purchased concentrate feed and fodder (£12,142), machinery running costs (£4,273) and depreciation of plant, machinery and vehicles (£2,425). These increases were counteracted by decreases in expenditure for some inputs such as depreciation of building and works (£1,881).

Cattle and Sheep farms (LFA) generated an average Farm Business Income of £14,368 per farm in 2018/19, which was 16.9% lower than the 2017/18 income of £17,298 per

farm. This decrease in income was the net result of a 1.6% (£1,232) increase in the value of farm output and a 7.0% (£4,162) increase in expenditure on inputs. The main reasons for the increase in output value were the increases in miscellaneous crop output (£1,570) and miscellaneous subsidies (£642). The main increases in expenditure on inputs were recorded for machinery running costs (£1,482), purchased concentrate feed and fodder (£1,219) and fertilisers (£764). These increases were counteracted by decreases in expenditure for some inputs such as depreciation of building and works (£221).

Cattle and Sheep (Lowland) farms recorded a decrease in Farm Business Income between 2017/18 and 2018/19. For this farm type, Farm Business Income decreased from £16,757 to £12,274, which is a decrease of 26.8%. This was the net result of a 0.8% (£721) increase in the value of farm output and a 7.5% (£5,204) increase in expenditure on inputs. The main factors contributing to the increase in output value were the increases miscellaneous crop output (£1,696), milk output (£754) and cereals output (£687). The main changes within expenditure on inputs were increases in purchased concentrate feed and fodder (£1,759), machinery running costs (£1,286) and fertilisers (£797). There was also a decrease in expenditure on some other inputs such as other crop costs (£156).

On the other 4 types of farm, which account for 7.9% of farms above 0.5 SLR's, changes in the total value of farm output between 2017/18 and 2018/19 ranged from -0.8% (Pig farms) to 71.4% (General Cropping farms). Whereas, change in expenditure on inputs between years ranged from -2.1% (General Cropping farms) to 7.7% (Pig farms). These four farm types showed changes in average Farm Business Income between years, which ranged from -£29,618 on Pig farms to £90,203 on General Cropping farms.

Comprehensive data on the values of livestock output, crop output, inputs, and incomes for each of the 7 farm types are given in Appendix 1. Information is also provided for 4 farm size groupings for Dairy and Cattle and Sheep (LFA) farms and for 2 size groupings for Lowland Cattle and Sheep farms. These data include information on the physical and financial characteristics of the average farm within each farm type and size in the FBS sample and for the "all sizes" Northern Ireland weighted averages for each farm type. They show, amongst other things, that the levels of changes in the various components of output and input recorded between 2017/18 and 2018/19 may differ for each farm size grouping within farm types. For instance, in the case of dairy farms, the total value of farm inputs increased by 3.7% in the $0.5 < 1$ SLR size group which compares with a 15.3% increase in the $1 < 2$ SLR size group.

The average levels of income per farm included in this report for each of the 7 farm types in 2017/18 (i.e. the 2017/18 – 2018/19 identical sample) are different to those in the previous year's report (i.e. the 2016/17 – 2017/18 identical sample). This occurs when an identical sample basis for reporting farm incomes is used, because the sample of farms for 2017/18 in the 2017/18– 2018/19 identical samples will not be exactly the same as those for the same year in the 2016/17 – 2017/18 sample. However, for the 'all types' averages the Net Farm Income, Farm Business Income, and Cash Income should not be significantly different between the same years of the different matched samples.

The identical sample results refer to all farms above 0.5 SLRs, whereas between the 1998/99 and 2002/03 account years the FBS data related to farm businesses above 8

ESUs in size. This change in threshold and the way in which farm size is determined is considered to have produced a more accurate and meaningful measure of farm business sizes. Overall, the FBS is representative of 9,243 farm businesses of which 5,043 are considered to be of sufficient size to employ at least one person on a full-time basis.

Table 2b Incomes by type of farm in 2017/18 and 2018/19 (£ per farm)¹

		Farm Business Income	Cash Income	Net Farm Income
Cereals	17/18	38,292	73,470	28,807
	18/19	64,088	104,730	55,130
General Cropping	17/18	6,378	23,500	-6,289
	18/19	96,581	117,725	86,898
Pigs	17/18	87,596	123,338	108,104
	18/19	57,978	94,641	81,908
Dairy	17/18	68,135	97,791	66,016
	18/19	57,798	91,132	52,831
Cattle and Sheep (LFA)	17/18	17,298	28,096	9,752
	18/19	14,368	27,573	6,386
Cattle and Sheep (Lowland)	17/18	16,757	28,439	8,628
	18/19	12,274	25,941	3,476
Mixed	17/18	42,041	85,769	36,984
	18/19	34,093	55,908	28,978
All Types	17/18	33,410	51,470	27,755
	18/19	28,612	48,419	21,925

1. Based on data from an identical sample of farms.

On many farm businesses, decisions about future levels of investment in assets are based on the level of Cash Income generated during the year and on the level of the farm's other cash reserves. For this reason alone, it is important to know the level of Cash Income as well as Farm Business Income. Cash Income may be regarded as the net amount of cash that is generated (receipts less expenditure) by the business and is available to cover living expenses, income tax payments and net investment expenditure. Any surplus that remains is credited to the farm bank account. In 2018/19 the average level of Cash Income per farm generated across all types of farm in Northern Ireland was £48,419 which is £3,051 lower than in 2017/18. Increases in average Cash Income occurred in 2018/19 on 2 of the 7 farm types. These increases were £31,260 per farm on Cereal farms and £94,225 per farm on General Cropping farms. The decreases in average Cash Income ranged from £523 per farm on Cattle and Sheep (LFA) farms to £29,860 per farm on Mixed farms. The lowest level of Cash Income in 2018/19 was

recorded for Cattle and Sheep (Lowland) farms at £25,941 per farm, whereas the highest was recorded on General Cropping farms at £117,725 per farm.

Net Farm Income showed similar changes to Farm Business Income between 2017/18 and 2018/19 for each of the farm types. However, on average, Farm Business Income was £6,687 higher than Net Farm Income in 2018/19. This occurred because the level of imputed rent and labour, which is deducted in the calculation of Net Farm Income, is more than the sum of interest payments, depreciation charges for buildings and works, and other ownership expenses which replace them in the calculation of Farm Business Income. This was also the case for each individual farm type in both years with the exception of Pig farms. In Northern Ireland, Farm Business Income is a better absolute measure of income than Net Farm Income because almost all of the land farmed is either owned or farmed on short-term lettings (i.e. conacre) and almost all labour is provided from within the farm family.

Table 3 shows the variations that occurred between 2013/14 and 2018/19 in average Farm Business Income, Cash Income and Net Farm Income when measured across all farm types. Over the period Cash Income was always higher than Farm Business Income and Farm Business Income was always higher than Net Farm Income. Increases in Farm Business Income, Cash Income and Net Farm Income from the previous year were also observed over the period for the years 2016/17 and 2017/18, whereas, decreases were recorded in 2014/15, 2015/16 and 2018/19. When comparing the average income figures measured across all farm types for 2018/19 against those of 2013/14, the results show that average Farm Business Income decreased by 3%, Cash Income increased by 3% and Net Farm Income decreased by 9% per farm between the two years.

Table 3 Income per farm, 2013/14 to 2018/19 (£ per farm)¹

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Farm Business Income	29,606	24,942	14,788	21,928	33,870	28,612
Cash Income	46,936	42,411	33,673	38,741	53,345	48,419
Net Farm Income	24,153	19,899	10,082	16,387	28,550	21,925

1. Based on data from all farms.

The distributions of farms by income level as presented in table 4 provides a more comprehensive picture of income levels generated in 2018/19. When compared with those in 2017/18 they show that the decrease in average Farm Business Income across all types of farm between 2017/18 and 2018/19 contributed to an increase in the number of farms which incurred a negative Farm Business Income (12% in 2017/18 and 17% in 2018/19) and resulted in a 2% decrease in the number of farms (i.e. 33% in 2018/19) which incurred a Farm Business Income of at least £30,000. In comparison, the fall in average Net Farm Income across all types of farm in 2018/19 resulted in 4% more farms (i.e. 30% in 2018/19) recording a negative Net Farm Income and 3% less farms (i.e. 27% in 2018/19) recording a Net Farm Income of at least £30,000. In Cash Income terms, the proportion of farms with negative incomes remained unchanged (i.e. 5% of farms) in 2018/19, whereas, the proportion of farms with a Cash Income of at least £30,000 decreased by 4% (i.e. 52%) in 2018/19. Finally, it goes without saying that on those farms with a negative Cash Income, unless an additional source of income is available, a difficult financial situation will arise.

Table 4 Distribution of farms by level of income, 2017/18 and 2018/19¹

Income £ per farm	Farm Business Income		Cash Income (% of farms)		Net Farm Income	
	17/18	18/19	17/18	18/19	17/18	18/19
	<0	12	17	5	5	26
0-4,999	6	7	4	4	7	6
5-9,999	10	10	7	6	8	9
10-19,999	23	18	12	18	17	16
20-29,999	14	15	17	15	11	12
30,000 and over	35	33	56	52	30	27

1. Based on data from an identical sample of farms.

2.3 Spare-time Farms (< 0.5 SLRs)

The average levels of incomes presented in section 2.2 relate to farms above 0.5 SLR's. This therefore excludes those farms which are less than 0.5 SLR's i.e. classified as spare-time. There are 14,821 spare-time farms in Northern Ireland which make a significant contribution to the value of agricultural output. As such, it is important to know the level of income they generate. Most of these farms are managed alongside off-farm employment and their farm income is a small part of overall farm household income. Some 94% of this size group of farms consists of Cattle and Sheep farms. The average incomes for Cattle and Sheep farms below 0.5 SLRs are given in table 5. This shows that spare-time Cattle and Sheep farms generated average Farm Business Income levels in 2017/18 and 2018/19 that were above the break-even point.

Table 5 Incomes for 'spare-time'¹ Cattle and Sheep farms in the LFA and Lowland in 2017/18 and 2018/19 (£ per farm)²

		Farm Business Income	Cash Income	Net Farm Income
Cattle and Sheep (LFA)	2017/18	5,400	11,824	1,844
	2018/19	2,113	9,883	-827
Cattle and Sheep (Lowland)	2017/18	7,882	12,152	2,023
	2018/19	6,543	18,780	819

1. Under 0.5 SLRs

2. Based on data from an identical sample of farms.

Probably the most important income measure in table 5 for the vast majority of farmers is Cash Income as most if not all of these farms are run on a spare-time basis. If negative

Cash Incomes were being incurred by these spare-time farms this would show that there was no financial rationale for their existence. This was not the case on the Lowland and LFA farms in both 2017/18 and 2018/19.

2.4 Direct Payments

From 1 January 2005, direct payments to farmers were replaced by decoupled payments under the Single Farm Payment (SFP) scheme and subsequently the Basic Payment Scheme (BPS) from 1 January 2015. These decoupled payments are referred to as the Single Payment (SP) in this report. Under these decoupled schemes, farmers in Northern Ireland receive an annual SP which takes into account their historic receipts of direct payments and an area payment.

As SP is decoupled from production it is not included in the gross margin of any particular enterprise. It is however included in total farm output and the various income measures. Previously coupled subsidy receipts were included in enterprise gross margins and therefore the introduction of decoupling has resulted in a significant reduction in many gross margins. SP is recorded on an 'as due' basis of accounting. This means that payments relating to the 2018 SP scheme year accrue to the 2018/19 FBS accounting period, irrespective of when the money is actually paid.

As shown in table 6, direct subsidy receipts per farm decreased between 2017/18 and 2018/19 on 6 out of the 7 main types of farm. The only farm type showing an increase were General Cropping farms. When averaged across all Farm Types, table 6 shows that direct subsidy receipts per farm decreased from £26,645 in 2017/18 to £25,840 in 2018/19 (i.e. £805 less per farm).

Cereal farms received the highest level of direct subsidy receipts, averaging £35,292 per farm in 2018/19. Cattle and Sheep (LFA) farms had the next highest amount of direct subsidy receipts received at £28,877 per farm in 2018/19. Whereas General Cropping farms recorded the lowest average of the 7 main types of farms, at £10,555 per farm.

Dairy type farms showed a decrease in direct payments of £948 per farm between 2017/18 and 2018/19. This was the result of decreases in Single Payment (£334 per farm), LFA Compensatory payments (£85 per farm), Agri-Environmental Scheme payments (£120 per farm) and miscellaneous subsidies (£409 per farm) between 2017/18 and 2018/19.

Cattle and Sheep (LFA) type farms showed a decrease in direct payments of £728 per farm between 2017/18 and 2018/19. This was the net result of increases in Single Payment (£198 per farm), Agri-Environmental Scheme payments (£83 per farm) and miscellaneous subsidies (£642 per farm) and a decrease in LFA Compensatory payments (£1,650 per farm) between 2017/18 and 2018/19.

For the remaining farm types there was firstly an increase in direct payments between 2017/18 and 2018/19 of £368 for General Cropping type farms. The increase in direct payments for General Cropping type farms is mainly attributable to higher Single Payment amounts received. Secondly, there was a decrease in direct payments of £851 for Cattle and Sheep (Lowland) type farms, £106 for Cereal type farms, £202 for Pig type

farms, and £1,137 for Mixed type farms. The decrease in direct payments for Cattle and Sheep (Lowland) type farms, Cereal type farms and Mixed type farms is mainly attributable to lower Single Payment amounts received. Whereas, the reduction in direct payments for Pig type farms is mainly attributable lower miscellaneous subsidies payments.

The data presented in tables 6 and 7 shows how important direct payments are to farmers in Northern Ireland. In 2018/19 direct payments ranged from 3% of the value of total farm output on Pig farms to 37% on Cattle and Sheep (LFA) farms. When expressed on a per hectare basis direct payments range from £193 per hectare on General Cropping farms to £410 per hectare on Pig farms.

When measured across all farm types, average direct payments represented 90% of the value of average Farm Business Income, 53% of the value of average Cash Income and 118% of the value of average Net Farm Income for farms in Northern Ireland. Moreover, for Cattle and Sheep (LFA) farms and Cattle and Sheep (Lowland) farms the average direct payments they received were greater than their average Net Farm Income and average Farm Business Income generated per farm in 2018/19. Whereas, for Cattle and Sheep (LFA) farms the direct payments they received were also greater than the average Cash Income that they generated for 2018/19.

Table 6 'As due' direct payments by type of farm in 2017/18 and 2018/19¹

	2017/18	2018/19
	£ per farm	
Cereal	35,399	35,292
General Cropping	10,187	10,555
Pigs	12,283	12,080
Dairy	25,641	24,692
Cattle & Sheep (LFA)	29,605	28,877
Cattle & Sheep (Lowland)	22,421	21,570
Mixed	28,237	27,099
All types	26,645	25,840

1. Based on data from an identical sample of farms.

Table 7 'As due' direct payments by type of farm, 2018/19⁵

	% TFO ¹	£ per ha	% FBI ²	% CI ³	% NFI ⁴
Cereals	17	294	55	34	64
General Cropping	5	193	11	9	12
Pigs	3	410	21	13	15
Dairy	8	280	43	27	47
Cattle and Sheep (LFA)	37	305	201	105	452
Cattle and Sheep (Lowland)	25	335	176	83	621
Mixed	12	328	79	48	94
All Types	16	303	90	53	118

1. Total Farm Output.

2. Farm Business Income.

3. Cash Income.

4. Net Farm Income.

5. Based on data from an identical sample of farms.

2.5 Farm Business Income and Net Farm Income excluding direct subsidy receipts

Farm Business Incomes including and excluding direct subsidy receipts are presented in Table 7(a). By excluding direct subsidy receipts this provides an indication of the incomes generated from farming activities. The data indicates that Cereal, General Cropping, Pig, Dairy and Mixed farm types return a positive Farm Business Income when direct payments are removed. Whereas, Cattle and Sheep (LFA) and Cattle and Sheep (Lowland) farm types generate losses. When measured across all farm types the average Farm Business Income with direct payments removed is a gain of £2,772 per farm.

Table 7(a) Farm Business Incomes including and excluding direct payments in 2018/19 (£ per farm)¹

	FBI	Direct Payments	FBI minus Direct Payments
Cereals	64,088	35,292	28,796
General Cropping	96,581	10,555	86,026
Pigs	57,978	12,080	45,898
Dairy	57,798	24,692	33,106
Cattle and Sheep (LFA)	14,368	28,877	-14,509
Cattle and Sheep (Lowland)	12,274	21,570	-9,296
Mixed	34,093	27,099	6,994
All Types	28,612	25,840	2,772

1. Based on data from an identical sample of farms.

Table 7(b) presents Net Farm Incomes including and excluding direct subsidy receipts. In using this measure as opposed to Farm Business Income, lower levels of income are returned for each individual farm type with the exceptions of Pig farms. In this instance, the data indicates that Cereal, General Cropping, Pig, Dairy and Mixed farm types return a positive Net Farm Income when direct payments are removed. Furthermore, Cattle

and Sheep (LFA) and Cattle and Sheep (Lowland) farm types generate more substantial losses. When measured across all farm types the average Net Farm Income with direct payments removed is a loss of £3,915 per farm.

Table 7(b) Net Farm Incomes including and excluding direct payments in 2018/19 (£ per farm)¹

	NFI	Direct Payments	NFI minus Direct Payments
Cereals	55,130	35,292	19,837
General Cropping	86,898	10,555	76,343
Pigs	81,908	12,080	69,828
Dairy	52,831	24,692	28,139
Cattle and Sheep (LFA)	6,386	28,877	-22,492
Cattle and Sheep (Lowland)	3,476	21,570	-18,094
Mixed	28,978	27,099	1,879
All Types	21,925	25,840	-3,915

1. Based on data from an identical sample of farms.

2.6 Trends in Farm Incomes between 2011/12 and 2018/19

Table 8 presents a time series (2011/12 – 2018/19) of average Farm Business Income expressed in real terms for Dairy and Cattle and Sheep (LFA) farm types. These two farm types account for approximately 67% of the farm businesses over 0.5 SLRs in Northern Ireland. These time-series of income shows that in the four most recent years (15/16 to 18/19) the average Farm Business Income for Dairy farms in real terms was 22.6% lower than that in the first four years (11/12 to 14/15) of the 8 year period. Whereas for the Cattle and Sheep farms (LFA) the four most recent years resulted in an average Farm Business Income in real terms which was 0.4% higher than that in the first four years of the 8 year period.

Table 8 Real Farm Business Income for Dairy and Cattle and Sheep farms (LFA) – 2011/12 to 2018/19^{1,2}

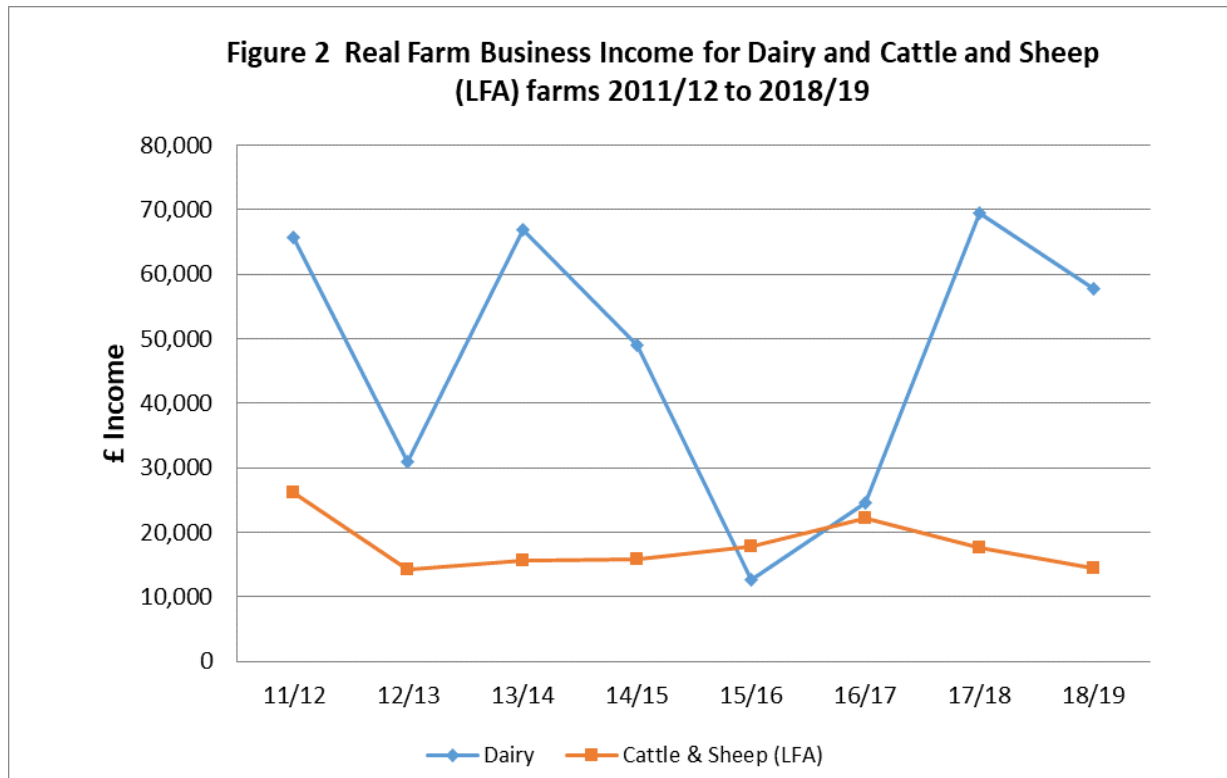
	Dairy	Cattle & Sheep (LFA)
2011/12	100	100
2012/13	47	55
2013/14	102	60
2014/15	75	61
2015/16	19	69
2016/17	37	85
2017/18	106	68
2018/19	88	55

1. Expressed as an index in real terms, 2011/12 = 100

2. Based on data from all farms

The time series (2011/12 – 2018/19) of average Farm Business Income expressed in real terms for Dairy and Cattle and Sheep (LFA) farm types is shown graphically in figure 2. This indicates that the patterns of change in the average incomes for these farm types

are very different. For Dairy Farms, levels of Farm Business Income have been relatively volatile over the period with dramatic ups and downs, whereas for LFA Cattle & Sheep Farms they have been relatively steady. On saying this, the annual average Farm Business Income for Dairy farms has been some £29,158 per farm higher over the period than that of Cattle and Sheep (LFA) farms. Over the 8 year period Dairy farms had an average annual Farm Business Income of £47,142, compared to £17,984 for Cattle and Sheep (LFA) farms. When considering the total asset values of both farm types it can be said that the average Dairy farm of 88 hectares in Northern Ireland, is valued at 24% more than the average Cattle and Sheep (LFA) farm of 95 hectares and has generated about 2.6 times as much Farm Business Income over the past 8 years.



1. Adjusted to 2018/19 prices based on GDP deflator

2.7 Other Sources of Income

In the FBS, farmers are asked to indicate into which of 9 ranges of income the joint income of the farmer and spouse falls for each of six off-farm sources of income. Off-farm income includes both earned and unearned sources, such as other employment and social payments. In total, these receipts averaged £10,587 per farm in 2018/19, of which £5,108 was earned income and £5,479 unearned income. However, it should be noted that on 26% of farm businesses no off-farm income was received. Off-farm income per farm ranged from under £1,000 to in excess of £20,000 per year. The average amount of off-farm income was highest, at £13,263 per farm for Mixed farms because of the significantly higher amount of investments, pensions and social payments income in this farm type.

Table 9 Off-farm income, 2018/19 (£ per farm)

	Off-farm Total Income	Employments & Self- employment	Investments, Pensions, Social Payments
Dairy	9,460	4,976	4,484
Cattle & Sheep (LFA)	11,358	5,496	5,862
Mixed	13,263	5,173	8,090
All Types	10,587	5,108	5,479

The two most common off-farm income sources were other employment and pensions, as shown in Table 10. The earned income of the spouse was the main off-farm income source. In 2018/19, on 64 of the 265 farms only the spouse of the farmer had off-farm employment, on a further 12 farms only the farmer had off-farm employment and on another 10 farms both the farmer and spouse had off-farm employment. This equates to 32% of farms having an off-farm employment source of income. The percentages of farms receiving pensions and social payments were 44% and 8% respectively.

Table 10 Off-farm income by type and level of Income, 2018/19

	£				
	Zero	1-999	1,000-4,999	5,000- 19,999	20,000+
	(% of farms)				
Employment	69	0	2	19	10
Self-employment	96	0	0	2	3
Investments	96	1	0	3	0
Pensions	56	0	3	39	2
Social payments	92	1	4	3	0
All sources	26	1	2	52	19

2.8 Investment Levels on Farms

Within table 11, the real level of investment made on FBS farms over the past 10 years is shown. This shows that investment levels have decreased in both current and real terms over the ten year period. The real level decrease between 2009/10 and 2018/19 was 33%. However, the real level of investment increased in the most recent year (2018/19).

Table 11 Net investment index per farm, 2009/10 to 2018/19

	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Current price Index	100	72	75	55	61	79	68	37	65	78
Real terms index ¹	100	71	73	52	57	72	62	33	57	67

1. Deflated using the GDP deflator, 2009/10 = 100

2. Based on data from all farms.

As shown in table 12 the average net investment (excluding capital grants received) was £25,745 per farm in 2018/19, which is £4,507 more than the previous year. The total average net investment in 2018/19 was composed of plant, machinery and vehicles at £14,246 per farm (which is £2,354 higher than in 2017/18), land and buildings at £3,384 per farm (which is £518 higher than in 2017/18) and investment on capital improvements at £8,391 per farm (which is £1,690 higher than 2017/18). Capital grants received were £276 in 2018/19 (which is £55 higher than in 2017/18). Average levels of net investment were higher in 2018/19 than 2017/18 for Cereal, Dairy, Cattle and Sheep (LFA) and Cattle and Sheep (Lowland) farm types.

Table 12 Net investment by type of farm, 2017/18 and 2018/19¹

	2017/18	2018/19
	£ per farm	
Cereal	24,175	51,190
General Cropping	182,257	9,403
Pigs	79,739	57,238
Dairy	31,161	49,756
Cattle & Sheep (LFA)	9,706	13,262
Cattle & Sheep (Lowland)	15,034	18,161
Mixed	49,548	28,246
All types	21,238	25,745

1. Based on data from an identical sample of farms.

As in 2017/18, the average levels of net investment in 2018/19 were different on each of the farm types, with Pig farms having the highest average level of net investment in 2018/19. Differences in levels of investment by farm type occur for a number of reasons including dissimilarities in farm size, levels of Cash Income and the need for replacement/establishment of assets. In general, the pattern of investment would tend to indicate that farmers increase capital expenditure in or immediately following years when they have a substantial increase in cash income.

3. FINANCIAL POSITION OF FARM BUSINESSES

In the 2010/11 account year, the values for land and buildings were revalued on each FBS farm in line with current market prices for farms in each locality. Previous revaluations took place in the 1989/90, 1996/97, and 2006/07 account years. The recent revaluation resulted in an average increase in book values of land and buildings from £1,054,046 in the closing valuation of the 2009/10 account to £1,149,338 in the closing valuation of the 2010/11 account. If comparisons are being made with farm asset values reported for earlier years then recent and previous revaluations should be taken into consideration.

3.1 Assets, Liabilities, and Net Worth of Farms

Information on the values of total assets, external liabilities and net worth by farm type for the 2018/19 account year is presented in Table 13. This shows that average total assets per farm measured across all farm types were £1,338,681 in 2018/19. Whereas, average external liabilities per farm measured across all farm types were £50,152 in 2018/19, which is 6.6% higher than the previous year. When measured across all farm types the average external liabilities (i.e. mainly bank borrowings) per farm in 2018/19 were equivalent to 3.7% of total farm assets. Given these values for assets and liabilities the average net worth per farm measured across all farm types was £1,288,530 in 2018/19. When measured across all farm types, net worth expressed as a percentage of total assets was 96.3% in 2018/19. When making comparisons with earlier years it is important to remember that due to revaluations of book values for land and buildings undertaken in the 2010/11 account year, total assets and net worth values are showing a substantial step-change increase.

Table 13 also shows that when expressed by farm type, total average assets in 2018/19 ranged from £865,760 per farm on Pig type farms to £2,310,619 per farm on Cereal type farms. In 2018/19, Cattle and Sheep (LFA) farms had the lowest external liabilities at £12,696 per farm, which equates to 1.1% when measured as a percentage of total assets. When compared to the previous year, external liabilities increased on Cereal, Pig, Dairy and Cattle and Sheep (Lowland) type farms, and decreased on General Cropping, Cattle and Sheep (LFA) and Mixed type farms.

In terms of net worth, average values by farm type in 2018/19 ranged from £803,452 on Pig farms to £2,279,512 on Cereal farms. When net worth is expressed as a percentage of total assets, average values range from 83.4% on General Cropping farms to 98.9% on Cattle and Sheep (LFA) farms.

Table 13 Financial stability of farms in Northern Ireland 2017/18 and 2018/19¹

		Farm Area (ha)	Total Assets (£'000)	External Liabilities (£'000)	Net Worth (£'000)	Net Worth (as a % of Total Assets)
Cereals	17/18	118.7	2263.5	25.3	2238.3	98.9
	18/19	120.1	2310.6	31.1	2279.5	98.7
General Cropping	17/18	57.9	1292.6	238.9	1053.6	81.5
	18/19	54.6	1284.6	213.8	1070.8	83.4
Pigs	17/18	29.2	840.7	61.2	779.4	92.7
	18/19	29.5	865.8	62.3	803.5	92.8
Dairy	17/18	86.3	1454.5	108.5	1346.0	92.5
	18/19	88.2	1487.4	119.7	1367.7	92.0
Cattle and Sheep (LFA)	17/18	94.7	1163.7	13.2	1150.4	98.9
	18/19	94.6	1198.5	12.7	1185.8	98.9
Cattle and Sheep (Lowland)	17/18	63.6	1355.0	20.1	1334.9	98.5
	18/19	64.5	1378.6	23.0	1355.7	98.3
Mixed	17/18	82.0	1855.0	85.7	1769.3	95.4
	18/19	82.5	1866.9	84.7	1782.3	95.5
All Types	17/18	84.7	1307.9	47.0	1260.9	96.4
	18/19	85.4	1338.7	50.2	1288.5	96.3

1. Based on data from all farms.

The distribution of farms by their net worth expressed as a percentage of total farm assets is presented in Table 14. Overall, the distribution indicates that in 2018/19 only 5% of farm businesses had liabilities which were more than 15% of the value of total farm assets and that 82% have liabilities which are less than 5% of the value of the farm assets. This is a relatively financially stable status for the farm sector.

Table 14 Distribution of farms by net worth as a percentage of total assets¹

	Net Worth %				
	Under 75	75-84.9	85-94.9	95-99.99	100
	(% of farms)				
2017/18	1	3	14	54	28
2018/19	1	4	13	55	27

1. Based on data from an identical sample of farms.

When total farm assets are expressed on an area basis this indicates the amount of capital required to farm one hectare of land. This amount differs between farm types and is affected by factors such as the quality of land and types of enterprise farmed. In 2018/19 the average capital required across all farm types was £15,684 per hectare. At the individual farm type level the average capital required ranged from £12,664 per hectare on Cattle and Sheep (LFA) type farms to £29,375 per hectare on Pig type farms. Cattle and Sheep (LFA) farms have a relatively low capital requirement as they tend to operate extensive enterprises on comparatively lower valued land, whereas, Pig farms have a relatively high capital requirement per hectare as they operate an intensive enterprise on a small area of land.

Measured across all farm types the average value of land and buildings accounted for 87% of the average capital requirement on Northern Ireland farms in 2018/19. When measured by individual farm type, the percentage of total assets tied up in land and buildings ranged from 79% on Pig farms to 93% on General Cropping farms.

Assets other than land and buildings are collectively referred to as operating capital. As shown in table 15, in 2018/19 the average amount of operating capital (which excludes debtors) measured across all farm types was £153,615 per farm or 11.5% of total assets. This operating capital can be broken down into breeding livestock (34% of operating capital), machinery (29%), trading livestock (29%), and crops and stocks (8%). When measured at the individual farm type level, the average operating capital in 2018/19 ranged from £91,452 for General Cropping farms to £227,899 for Dairy farms. Alternatively, when measuring average operating capital as a percentage of average total assets for individual farm types in 2018/19, the values ranged from 7.1% for Cereal farms to 18.7% for Pig farms.

Table 15 Amount of operating capital by type of farm, 2018/19

	Operating Capital	
	£	% of total farm
	per farm	Capital
Cereal	163,560	7.1
General Cropping	91,452	7.1
Pigs	161,843	18.7
Dairy	227,899	15.3
Cattle & Sheep (LFA)	110,960	9.3
Cattle & Sheep (Lowland)	139,166	10.1
Mixed	214,901	11.5
All types	153,615	11.5

3.2 Rate of Return on Capital

There are a range of metrics to measure the rate of return on capital employed on farms. For many years, management and investment income (Net Farm Income minus the value of farmer and spouse labour) expressed as a percentage of tenant's capital was the most widely used measure. However, as this measure was not very meaningful for owner occupied farms, another measure, Occupier's Net Income expressed as a percentage of

net worth, was used. This expression represents the rate of return that the farmer and spouse obtain for their manual and managerial labour on all of their investment in the business. From the 2007/08 account year, Farm Business Income expressed as a percentage of net worth is used. This expression represents the return that all unpaid labour (farmer, spouses and others with an entrepreneurial interest in the farm business) obtains for their manual and managerial labour and all of their investment in the business.

As indicated in Table 16, the rate of return to capital and labour achieved by some farm types in 2018/19 is low when compared to other investment opportunities. The average rate of return in 2018/19 ranged from 0.9% on Cattle and Sheep (Lowland) farms to 9.0% on General Cropping farms.

Table 16 Farm Business Income as a percentage of net worth by type of farm, 2018/19

	Farm Business Income as a % of Net Worth 2018/19
Cereal	2.8
General Cropping	9.0
Pigs	7.2
Dairy	4.2
Cattle & Sheep (LFA)	1.2
Cattle & Sheep (Lowland)	0.9
Mixed	1.9
All types	2.2

3.3 Bank Borrowings

In the 2018/19 year, the average level of bank borrowings measured across all farm types was £43,374 per farm. This is an average increase of £3,650 per farm when compared to 2017/18. The largest increase in borrowings between 2017/18 and 2018/19 occurred on Dairy farms, with an average increase of £12,502 per farm. The largest decrease in borrowings was on General Cropping farms with an average decrease of £10,032 per farm.

Banks are the main source of lending to farming with others such as family loans, hire purchase and leasing, providing on average a further £6,778 per farm. The latter two sources are used, to quite an extent, to purchase tractors and other vehicles, whereas bank lending is used mainly for funding land, buildings and working capital requirements.

Table 17 Average bank borrowings per farm by type of farm, 2017/18 and 2018/19¹

	2017/18	2018/19
	£ per farm	
Cereal	11,058	9,981
General Cropping	206,335	196,303
Pigs	49,512	47,468
Dairy	92,392	104,894
Cattle & Sheep (LFA)	11,237	10,404
Cattle & Sheep (Lowland)	16,614	20,130
Mixed	69,014	70,290
All types	39,724	43,374

1. Based on data from an identical sample of farms.

The distribution of farms by level of borrowing per farm in 2017/18 and 2018/19 are presented in Table 18. This shows that 47% of the farms recorded no bank borrowings in 2018/19 whereas 18% of farms recorded borrowings in excess of £50,000. When comparing the distributions for 2017/18 and 2018/19 the overall picture is very similar but with a 1% increase in the number of farms having borrowings in excess of £20,000 in 2018/19.

Table 18 Distributions of farms by level of bank borrowings, 2017/18 and 2018/19¹

Bank Borrowings (£ per farm)	2017/18	2018/19
	% of farms	
Nil	47	47
1 to 20,000	20	20
20,000 to 49,999	14	16
50,000 to 99,999	8	5
100,000 and over	11	13

1. Based on data from an identical sample of farms.

The ability of farms to carry different levels of borrowings depends on their profitability, which in turn, is closely related to the size of business. For this reason, those farms with borrowings in excess of £50,000 cannot necessarily be considered to be in financial difficulty. Even so, borrowings in excess of £50,000 do incur a significant interest cost. At an average bank lending rate of 4.5% borrowings of £50,000 would have incurred interest costs of around £2,250 per annum.

Some of these farms have borrowed to purchase land, buildings, machinery and farm improvement materials. For other farms poor market and/or physical performance has contributed to their high levels of borrowings. The difficulty with such high levels of borrowing is that the annual interest cost may reach a level where the farm cash income is inadequate to cover living expenses and essential new on-farm investment.

4. ENTERPRISE GROSS MARGINS

In this section of the report, the gross margins generated by each of the main enterprises in Northern Ireland are compared for the two accounting years 2017/18 and 2018/19. As the average account year end for the sample of farms is mid-February, the results refer to the 2017 and 2018 grassland and crop years. Average Gross Margin by enterprise is presented in Table 19(a). It is important to note that as the Single Payment is decoupled from production and not linked to any particular enterprise it is not included in the gross margin figures. For similar reasons, Areas of Natural Constraint payments are also not included. The overall situation was that higher gross margins were recorded in 2018/19 for Spring Barley, Winter Barley, Winter Wheat and Potato enterprises. Whereas, lower gross margins were recorded for Dairy cows, SDA beef cows, DA beef cows, Lowland beef cows, SDA breeding ewes, DA breeding ewes, Lowland breeding ewes and Pigs enterprises.

Table 19(a) Average gross margins by enterprise in 2017/18 and 2018/19¹

	Average gross margins	
	2017/2018	2018/2019
	£ per head	
Dairy Cows	1,058	968
Suckler Cows - SDA	191	158
- DA	199	175
- Lowland	290	253
Breeding Ewes - SDA	22	10
- DA	44	36
- Lowland	65	61
Pigs	45	37
	£ per hectare	
Spring Barley	563	967
Winter Barley	1,224	1,635
Winter Wheat	1,262	1,550
Potatoes – ware	2,173	5,808

1. Based on data from an identical sample of farms.

4.1 Dairy Cows

As shown in Table 19(b), the average gross margin per dairy cow decreased from £1,058 in 2017/18 to £968 in 2018/19 for the 107 dairy herds which provided information in both years. This decrease of £89 in average gross margin is the net result of a £21 increase in output value and a £110 increase in total variable costs in 2018/19. The main reason for the increase in output value was that milk receipts were on average £22 higher per cow in 2018/19. The higher milk receipts per cow were due to an increase in average milk yield of 203 litres per cow. The increase in total variable costs per cow resulted mainly from a £69 increase in concentrate cost and also from a £30 increase in hay, silage and grazing costs and a £11 increase in sundries and veterinary costs per cow. The increase in concentrate costs per cow was due to higher concentrate prices in 2018/19.

Stocking rates decreased slightly from 2.09 cow equivalents per hectare in 2017/18 to 2.08 cow equivalents per hectare in 2018/19. Given these very similar stocking rates and the decrease in average gross margin per cow, then average gross margin per hectare also decreased from £2,193 in 2017/18 to £2,000 in 2018/19, which is a decrease of £193 per hectare.

Table 19(b) Average outputs, variable costs and gross margins per dairy cow in 2017/18 and 2018/19¹

	2017/2018	2018/2019
Number of herds		107
Enterprise output		£ per cow
Milk	2,095	2,117
Calves	105	105
Herd replacement	-168	-169
Output	2,032	2,053
Variable Costs		
Concentrates	643	712
Hay, silage & grazing	176	205
Sundries & Vet	156	167
Total Variable Costs	975	1,084
Gross Margin	1,058	968
Average herd size (cows)	101	103
Concentrates per litre (kg)	0.38	0.38
Stocking rate (ce/ha)	2.09	2.08
Summer milk (%)	52	52
Milk yield (l/cow)	7,194	7,397
Milk price (p/l)	29.1	28.6

1. Based on data from an identical sample of farms.

As shown in Table 20, the difference in performance in 2018/19 between the 'top' and 'bottom' quartiles was, as in previous years, substantial. The 'top' quartile had an average gross margin per cow of £1,285 compared with £574 for the 'bottom' quartile. The main reasons for this difference in performance are that the 'top' quartile had an average milk yield 2,802 litres per cow above and a milk price 0.9 pence per litre above the 'bottom' quartile. For the average herd size of 103 dairy cows in the sample, the difference in gross margin between the 'top' and 'bottom' quartiles equates to a total value of £73,169 per herd.

Table 20 Average outputs, variable costs and gross margins per dairy cow in the top 25% and bottom 25% groups, 2018/19

	Top 25%	Bottom 25%
	£ per cow	
Gross Margin	1,285	574
Milk Sales	2,440	1,579
Calf Sales	125	90
Total Output	2,412	1,465
Variable Costs	1,127	891
Milk Yield – litres	8,426	5,624
Av milk price – ppl	29.0	28.1
Stocking rate - ce/ha	2.00	2.04

4.2 Suckler Cows

In the 2018/19 account year all of the three main categories of suckler herds had average gross margins that were lower than those in 2017/18 (Table 21). For SDA suckler cows the average gross margin per cow decreased from £191 in 2017/18 to £158 in 2018/19. This decrease of £33 per cow was the combined result of a £8 decrease in total output and a £24 increase in total variable costs. The £8 decrease in output value was the net result of a £11 decrease in the value of calves and a £3 decrease in herd replacement cost. For DA suckler cows the average gross margin decreased by £24 per cow due to a £16 decrease in total output and a £9 increase in total variable costs. The £16 decrease in output value was the combined result of a £13 decrease in the value of calves and a £3 increase in herd replacement cost. For Lowland suckler cows the average gross margin decreased by £37 per cow, which was the combined result from a decrease of £13 in total output and an increase of £24 in total variable costs. The £13 decrease in output value was the combined result of a £4 decrease in the value of calves and a £9 increase in herd replacement cost. Across all 3 herd types, there were decreases in output and increases in total variable costs between 2017/18 and 2018/19. The decreases in output ranged from £8 per cow in the SDA to £16 per cow in the DA. The increases in variable costs ranged from £9 per cow in the DA to £24 per cow in the SDA.

Table 21 Average outputs, variable costs and gross margins per cow for SDA, DA and Lowland suckler herds, 2017/18 and 2018/19¹

	SDA		DA		Lowland	
	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019
Number of herds	60		25		33	
Enterprise Output	£ per cow					
Calves	494	483	518	506	545	541
Herd replacement	-57	-55	-65	-68	-26	-35
Total Output	436	428	454	438	519	505
Variable Costs						
Concentrates	55	55	45	51	33	35
HSG	127	144	134	139	123	141
Sundries & Vet	64	71	75	73	73	77
Total Variable Costs	246	270	254	263	229	252
Gross Margin	191	158	199	175	290	253
Calves reared per cow	0.96	0.91	0.96	0.93	0.98	0.98
Av price per calf sold/trans (£)	525	532	548	556	556	561

1. Based on data from an identical sample of farms.

The data presented in table 22 for the 'top 25%' and 'bottom 25%' of suckler herds show that there was a difference of £371 in gross margin per cow between the 'top' and 'bottom' groups of SDA suckler herds in 2018/19. This is accounted for by differences of £147 in calf returns, £92 in herd replacement costs, and £132 in total variable costs between the top and bottom groups. Similarly for DA suckler herds there was a difference of £397 in gross margin per cow between the 'top' and 'bottom' groups of herds in 2018/19. This is accounted for by differences of £95 in calf returns, £69 in herd replacement costs, and £232 in total variable costs.

Table 22 Average calf receipts, variable costs and gross margins per cow for SDA and DA suckler herds in the top 25% and bottom 25% groups, 2018/19

	Top 25%	Bottom 25%
	£ per cow	
Gross Margin		
- SDA	340	-31
- DA	344	-52
Calf Returns		
- SDA	591	444
- DA	576	480
Herd replacement cost		
- SDA	-15	-106
- DA	-52	-121
Variable Costs		
- SDA	236	369
- DA	179	411

4.3 Breeding Ewes

As shown in table 23, gross margins per ewe for Lowland, Upland and Hill flocks showed a decrease between 2017/18 and 2018/19. For Lowland breeding ewes the average gross margin per ewe decreased from £64.60 in 2017/18 to £60.53 in 2018/19, which is a decrease of £4.08. This decrease was the net result of a £2.72 increase in output and a £6.79 increase in total variable costs. For Upland breeding ewes the average gross margin per ewe decreased from £43.63 in 2017/18 to £35.60 in 2018/19, which is a decrease of £8.03. This decrease was the net result of a £2.80 increase in output and a £10.82 increase in total variable costs. For Hill breeding ewes the average gross margin per ewe decreased from £21.52 in 2017/18 to £10.48 in 2018/19, which is a decrease of £11.04. This decrease was the combined result of a £4.69 decrease in output and a £6.35 increase in total variable costs.

Table 24 presents the gross margin per ewe results for the 'top 25%' and 'bottom 25%' of Lowland, Upland, and Hill flocks in 2018/19. This shows a difference in gross margin between the 'top 25%' and 'bottom 25%' of £82 per ewe in the Lowland, £107 per ewe in the Upland, and £73 in the Hill. The main reason for these differences in gross margin between the 'top 25%' and 'bottom 25%', is the considerable range found in the value of lamb sales per ewe which averaged £128 in the top group and £62 in the bottom group.

Table 23 Average outputs, variable costs and gross margins per ewe for Lowland, DA and SDA breeding flocks, 2017/18 and 2018/19¹

	Lowland		Upland (DA)		Hill (SDA)	
	2017/2018	2018/2019	2017/2018	2018/2019	2017/2018	2018/2019
Number of flocks	28		13		20	
Output	£ per ewe					
Lambs	121.86	118.82	96.39	107.76	64.80	62.22
Wool	2.48	2.00	2.42	2.45	1.49	1.51
Flock Replacements	-4.45	1.78	-2.29	-10.89	3.65	1.52
Total Output	119.89	122.61	96.52	99.32	69.95	65.26
Variable Costs						
Concentrates + OPF	15.30	17.91	16.23	18.28	17.99	18.98
Hay, silage, & grazing	21.38	25.18	21.87	29.61	16.58	21.12
Sundries + Vet	18.61	19.00	14.80	15.84	13.86	14.69
Total Variable Costs	55.29	62.08	52.90	63.72	48.43	54.78
Gross Margin	64.60	60.53	43.63	35.60	21.52	10.48
Lambs reared per ewe	1.51	1.45	1.44	1.38	1.15	1.08
Ave lamb price (£)	85.46	88.89	77.20	80.06	71.87	74.12
Ewe mortality %	5.9	5.2	4.7	6.9	8.1	7.8
Lamb mortality per 100 ewes	9.1	9.0	6.7	6.0	6.6	6.8
Ave flock size (ewes)	162	152	194	184	298	285

1. Based on data from an identical sample of farms.

Table 24 Average gross margins, lamb sales and lambs reared per ewe for the top 25% and bottom 25% groups, 2018/19

	Top 25%	Bottom 25%
	Per Ewe	
Gross Margin (£)		
- Lowland	99	17
- Upland	85	-22
- Hill	45	-28
Lamb Sales (£)		
- Lowland	168	86
- Upland	122	67
- Hill	94	34
Lambs Reared		
- Lowland	1.82	1.10
- Upland	1.42	1.12
- Hill	1.38	0.68

4.4 Pigs

On the 8 farms which had rearing and finishing units, the average gross margin per pig decreased from £45.34 in 2017/18 to £36.75 in 2018/19 (Table 25). This decrease in margin of £8.59 per pig between 2017/18 and 2018/19 was the combined result of a decrease in output of £5.28 per pig and an increase in total variable costs of £3.31 per pig. The decrease in output was due to the less favourable pig prices in 2018/19, whereas, the increase in total variable costs was due to the £2.37 increase in the cost of feedstuffs per pig and the £0.93 increase in the cost of veterinary, medicine and sundries per pig. The increase in cost of feedstuffs was due to higher concentrate prices in 2018/19. The average gross margin of £37 per pig is the third highest result in the 10 years since 2009/10. The average gross margins per pig in previous years were £38 in 2009/10, £28 in 2010/11, £22 in 2011/12, £21 in 2012/13, £32 in 2013/14, £26 in 2014/15, £17 in 2015/16, £28 in 2016/17 and £45 in 2017/18.

Table 25 Average sales, variable costs and gross margins per pig for pig rearing and finishing units, 2017/18 and 2018/19¹

	2017/2018	2018/2019
Number of herds		8
		£ per pig
Output	130.93	125.65
Variable Costs		
Feeding stuffs	78.28	80.65
Vet and medicines	3.99	3.41
Sundries	3.32	4.85
Total Variable Costs	85.59	88.90
Gross Margin	45.34	36.75
Meal equivalent per pig (kg)	313	309
Price of concentrates (£/tonne)	250	261
Pigs weaned per sow	24.20	24.33

1. Based on data from an identical sample of farms.

4.5 Spring Barley

As shown in table 26 the average gross margin per hectare for the spring barley crop increased from £563 in 2017 to £967 in 2018 (a rise of £404 per hectare). This increase was the combined result of a £394 increase in output value and a £10 decrease in total variable costs in 2018. The rise in output value was due to higher grain and straw prices and yields in 2018. Grain prices per tonne increased from £143 in 2017 to £182 in 2018, whereas, straw prices per tonne increased from £77 in 2017 to £110 in 2018. In comparison to 2017 levels, average grain yield increased by 0.60 tonnes per hectare and average straw yield increased by 0.20 tonnes per hectare. The decrease in variable costs between 2017 and 2018 was the result of lower fertiliser and sundry costs in 2018.

Table 26 Average outputs, variable costs and gross margins per hectare for spring barley, 2017/18 and 2018/19¹

	2017/2018	2018/2019
Number of farms	38	
	£ per hectare	
Output		
Grain	700	999
Straw	171	266
Total Output	871	1,266
Variable Costs		
Seed	64	69
Fertilisers	113	100
Sprays	99	103
Sundries	33	26
Total Variable Costs	308	299
Gross Margin	563	967
Grain yield (tonnes per ha)	4.90	5.50
Straw yield (tonnes per ha)	2.23	2.43

1. Based on data from an identical sample of farms.

The 'top 25%' performance group of farms in 2018 had an average grain yield of 6.45 tonnes per hectare compared with 4.39 tonnes in the 'bottom 25%' group. These yields generated grain sales of £1,194 for the 'top' group and £721 for the 'bottom' group. Associated with the higher grain yield was also a higher straw yield which generated straw sales of £386 per hectare in the 'top' group compared with £182 in the 'bottom' group. The average grain price per tonne received by the 'top' group was £21 higher than the 'bottom' group, whereas, the average straw price per tonne in the 'top' performance group was £37 higher than the 'bottom' group. In terms of inputs, the total variable costs were £296 per hectare for the 'top' group and £348 for the 'bottom' group. These differences in output and inputs between the 'top' and 'bottom' groups resulted in a gross margin of £1,285 per hectare for the 'top' group and £556 per hectare for the 'bottom' group i.e. a difference of £729 per hectare.

4.6 Winter Barley

As shown in Table 27, the average gross margin per hectare for the winter barley crop increased from £1,224 in 2017 to £1,635 in 2018, which is a rise of £411. This increase was the net effect of a £420 increase in output and a £8 increase in variable costs in 2018. The increase in output value resulted from the higher grain and straw prices in 2018. In comparison to 2017 levels, average grain yield decreased by 0.18 tonnes per hectare and average straw yield decreased by 0.68 tonnes per hectare. Grain prices per tonne increased from £155 in 2017 to £189 in 2018, whereas, straw prices per tonne increased from £75 in 2017 to £129 in 2018. The increase in variable costs between 2017 and 2018 was the result of higher seed and spray costs in 2018.

Table 27 Average outputs, variable costs and gross margins per hectare for winter barley, 2017/18 and 2018/19¹

	2017/2018	2018/2019
Number of farms		19
		£ per hectare
Output		
Grain	1,273	1,516
Straw	373	550
Total Output	1,646	2,066
Variable Costs		
Seed	71	94
Fertilisers	159	154
Sprays	165	166
Sundries	27	16
Total Variable Costs	422	430
Gross Margin	1,224	1,635
Grain yield (tonnes per ha)	8.21	8.03
Straw yield (tonnes per ha)	4.96	4.28

1. Based on data from an identical sample of farms.

The 'top 25%' group of farms in 2018 had an average grain yield of 9.34 tonnes per hectare, and this was 3.32 tonnes more than the 'bottom 25%' group. Higher values for grain and straw output resulted in an output value of £2,541 per hectare for the 'top' group, some £1,202 above that of the 'bottom' group. Total variable costs per hectare were £95 higher in the 'top' group at £479 per hectare. The gross margins per hectare were £2,062 for the 'top' group and £955 for the 'bottom' group.

On average, the winter barley crop gross margin in 2018 was £669 per hectare higher than that for the spring crop. It is usually the case that the winter barley crop out-performs the spring barley crop as the higher returns associated with the higher yield of the winter barley crop more than cover the additional variable costs incurred when compared with the spring barley crop. The last time the average spring barley crop outperformed the average winter barley crop was in 2001.

4.7 Winter Wheat

As shown in Table 28 the average gross margin per hectare for the winter wheat crop increased from £1,262 in 2017 to £1,550 in 2018, which is a rise of £288. This was the net effect of a £297 increase in output and a £9 increase in variable costs in 2018. The rise in output value was the result of higher grain and straw prices in 2018. Average grain prices increased by £29 per tonne, whereas, average straw prices increased by £59 per tonne. In terms of yields, average grain yield decreased by 1.11 tonnes per hectare and average straw yield decreased by 0.12 tonnes per hectare. As a result of these changes in yields and prices, total output increased from £1,748 in 2017 to £2,044 in 2018. The increase in total variable costs of £9 per hectare in 2018 was the result of higher seed and spray costs in 2018.

Table 28 Average outputs, variable costs and gross margins per hectare for winter wheat, 2017/18 and 2018/19¹

	2017/2018	2018/2019
Number of farms		9
		£ per hectare
Output		
Grain	1,463	1,546
Straw	284	499
Total Output	1,748	2,044
Variable Costs		
Seed	81	91
Fertilisers	183	170
Sprays	193	216
Sundries	28	16
Total Variable Costs	485	494
Gross Margin	1,262	1,550
Grain yield (tonnes per ha)	9.71	8.59
Straw yield (tonnes per ha)	3.90	3.78

1. Based on data from an identical sample of farms.

The 'top 25%' group of farms in 2018 had an average grain yield of 9.35 tonnes per hectare, and this was 0.60 tonnes more than the 'bottom 25%' group. Higher grain and straw yields resulted in an output value of £2,338 per hectare for the 'top' group, some £861 above that of the 'bottom' group. Total variable costs per hectare were £76 higher in the 'top' group at £540 per hectare. The gross margins per hectare were £1,798 for the 'top' group and £1,013 for the 'bottom' group.

The 2018 crop results show that the highest gross margin per hectare was obtained by winter barley (£1,635) followed by winter wheat (£1,550) and then spring barley (£967). This order is not typical of a normal year, as usually winter wheat is highest, followed by winter barley and then spring barley. In saying this, the ranges in performances for the crops show that they overlap to quite an extent.

4.8 Potatoes

The gross margin performances for the 2017 and 2018 ware potato crops were £2,173 and £5,808 per hectare respectively. This increase in gross margin of £3,635 per hectare was the net result of a £3,996 increase in output and a £361 increase in variable costs between 2017 and 2018. The increase in output resulted from increases in ware potato prices and yields in 2018. Ware potatoes prices increased from £150 per tonne in 2017 to £280 per tonne in 2018, whereas, ware potato yield increased from 25.7 tonnes per hectare in 2017 to 31.4 tonnes per hectare in 2018. The total variable costs incurred increased from £1,657 per hectare in 2017 to £2,018 per hectare in 2018, which is an increase of £361 per hectare. In terms of individual costs, spray costs showed the most decrease, falling from £307 per hectare in 2017 to £305 per hectare in 2018 (i.e. a decrease of £2 per hectare). Whereas, contract / casual wages showed the most increase, by rising from £335 per hectare in 2017 to £559 per hectare in 2018 (i.e. an increase of £224 per hectare). Overall, the average variable costs of production per tonne for the ware crop decreased from £64.48 in 2017 to £64.34 in 2018. It should however be noted that the costs included in determining the gross margin for potatoes do not include machinery, conacre rent and hired full-time labour costs. Such costs would be taken into account when determining the full cost of growing potatoes.

Table 29 Average outputs, variable costs and gross margins per hectare for ware potato crops, 2017/18 and 2018/19¹

	Ware Crop	
	2017/2018	2018/2019
Number of farms	6	
	£ per hectare	
Potato Output	3,830	7,826
Variable costs		
Seed	491	595
Fertiliser	346	363
Sprays	307	305
Contract/Casual Wages	335	559
Sundries	178	196
Total Variable costs	1,657	2,018
Gross Margin	2,173	5,808
Total yield (tonnes/ha)	25.7	31.4
Av price per tonne (£)	150	280

1. Based on data from an identical sample of farms.

Gross margins for the 'top' and 'bottom' performance groups for the main enterprises are summarised in Table 30. They show that for all 9 enterprises, the gross margin for the 'top' group is at least 77% more than that of the 'bottom' group. This outcome is typical of most years and arises because of differing farmer skills and resources. The data, while illustrating the wide range in performance levels found on farms also suggests that there is a possibility for improvements on some farms.

Table 30 Gross margins of the ‘top’ and ‘bottom’ performance groups for selected enterprises, 2018/19

	Top¹ Group	Bottom¹ Group
	£ Per head	
Dairy cows	1,285	574
Suckler cows - DA	344	-52
- SDA	340	-31
Breeding ewes - DA	85	-22
- SDA	45	-28
- Lowland	99	17
Spring barley	1,285	556
Winter barley	2,062	955
Winter wheat	1,798	1,013

1. For all enterprises the ‘top’ and ‘bottom’ groups refer to 25% of the samples.

5. FIXED COSTS

As shown in table 31, the average levels of fixed costs per hectare (excluding labour costs) measured across all farm types increased from £564 in 2017/18 to £591 in 2018/19. At the individual farm type level, all of the seven farm types recorded increases in fixed costs. Increases in fixed costs per hectare ranged from £10 on Cattle and Sheep (Lowland) farms to £219 on Pig farms.

Table 31 Fixed costs per hectare by type of farm, 2017/18 and 2018/19^{1, 2}

	2017/18	2018/19
	£ per ha	
Cereal	688	698
General Cropping	1,054	1,161
Pigs	2,542	2,761
Dairy	848	886
Cattle & Sheep (LFA)	340	359
Cattle & Sheep (Lowland)	533	542
Mixed	877	910
All Types	564	591

1. Excludes labour costs.

2. Based on data from an identical sample of farms.

Table 32 gives a breakdown of fixed costs in both years. Three major components of fixed costs (excluding labour) are depreciation of buildings and works, machinery depreciation, and machinery running costs. In 2017/18 and 2018/19, these three cost categories on average accounted for 70% and 69% respectively of total fixed costs across all types of farm.

Table 32 Fixed costs per hectare, by category, 2017/18 and 2018/19¹

	2017/18	2018/19
	£ per ha	
Depreciation of buildings and works	120	112
Depreciation of machinery	132	144
Machinery running costs	142	153
Farm insurance	17	17
Farm fuel	24	28
Rates and water charges	15	16
Building repairs and miscellaneous	91	96
Interest payments	24	25
Total	564	591

1. Based on data from an identical sample of farms.

When cost savings are sought they are most likely to be found in the main expenditure areas. During low-income periods this has resulted in a reduction in the level of capital expenditure on machinery and equipment, as farmers have tended to replace machinery less frequently. Other fixed costs such as farm fuel, rates, building repairs and insurance cannot be reduced so readily.

APPENDICES 1.1 – 1.7

**Table 1.1 – CEREAL & GENERAL CROPPING FARMS – ALL SIZES
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -
IDENTICAL SAMPLE 2017/18 AND 2018/19¹**

	Cereals			General Cropping		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Average size of business (SLRs)		1.7			1.5	
Total area of farm (ha)	118.7	120.1	1.2	57.9	54.6	-5.6
of which: crops & grass	111.0	113.4	2.1	54.8	51.8	-5.6
rough grazing	1.8	1.8	0.0	0.0	0.0	-
Hectares - Total crops	100.6	100.9	0.3	43.1	41.6	-3.4
(of which cereals)	76.2	78.9	3.5	19.1	20.0	4.6
Av.no - Dairy cows	0.0	0.0	-	0.0	0.0	-
Av.no - Beef cows	5.5	5.5	0.5	0.0	0.0	-
Av.no - Other cattle	8.8	9.7	10.3	11.5	10.6	-7.9
Av.no - Ewes	30.3	20.4	-32.5	0.0	0.0	-
Av.no - Sows/gilts	0.0	0.0	-	0.0	0.0	-
Crop output :	£ per farm			£ per farm		
Cereals	82,591	100,509	21.7	12,331	18,907	53.3
Potatoes	3,747	4,137	10.4	82,877	165,438	99.6
Misc. crop output	36,809	48,934	32.9	8,363	12,052	44.1
Total crop output	123,147	153,579	24.7	103,571	196,398	89.6
Livestock output :						
Cattle rearing & fattening	5,109	5,592	9.4	6,507	1,076	-83.5
Cattle - dairy	0	0	-	0	0	-
Milk	0	0	-	0	0	-
Sheep & wool	2,392	1,556	-34.9	0	0	-
Pigs	0	0	-	0	0	-
Poultry & eggs	0	0	-	0	0	-
Other livestock	0	0	-	0	0	-
Total livestock output	7,501	7,148	-4.7	6,507	1,076	-83.5
Single Payment	34,461	34,002	-1.3	9,819	10,378	5.7
ANC/LFA Compensatory scheme	0	0	-	0	0	-
Agri Environment schemes	0	0	-	0	0	-
Miscellaneous subsidies	937	1,290	37.7	368	177	-51.8
Miscellaneous revenue	11,921	13,719	15.1	2,760	2,780	0.7
On farm - non farm income	0	0	-	0	0	-
Adjustments for disposal of previous year's crop	483	2,025	319.6	0	0	-
Total farm output	178,450	211,763	18.7	123,025	210,809	71.4

Table 1.1 Contd.

	Cereals			General Cropping		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Inputs :	£ per farm			£ per farm		
Purchased concentrate feed & fodder	1,597	1,973	23.5	1,187	292	-75.4
Home grown concentrate feed	0	0	-	0	249	-
Veterinary fees & medicines	631	427	-32.3	132	78	-41.1
Other livestock costs	957	413	-56.8	115	132	14.0
Purchased & home grown seed	7,779	7,122	-8.4	9,777	10,816	10.6
Fertilisers	14,469	18,655	28.9	11,832	10,751	-9.1
Other crop costs	14,314	13,474	-5.9	10,814	10,222	-5.5
Regular & casual labour	2,128	2,453	15.3	7,520	6,000	-20.2
Machinery excluding depreciation	28,568	28,603	0.1	23,060	23,858	3.5
Depreciation of plant machinery & vehicles	30,671	32,661	6.5	21,023	18,295	-13.0
Depreciation of buildings & works	9,538	10,880	14.1	503	622	23.6
Land & building inputs	17,025	19,373	13.8	13,174	10,469	-20.5
Interest payments	991	1,081	9.1	7,271	11,651	60.2
Other general farming costs	11,492	10,560	-8.1	10,237	10,794	5.4
Total variable costs	49,087	52,353	6.7	44,554	45,984	3.2
Total fixed costs	91,071	95,322	4.7	72,093	68,244	-5.3
Total farm inputs	140,158	147,675	5.4	116,647	114,228	-2.1
Farm Business Income	38,292	64,088	67.4	6,378	96,581	1414.2
(plus) depreciation of buildings & works	9,538	10,880	14.1	503	622	23.6
(plus) depreciation of plant machinery & vehicles	30,671	32,661	6.5	21,023	18,295	-13.0
(minus) valuation change	5,030	2,898	-42.4	4,405	-2,227	-150.6
(equals) cash income	73,470	104,730	42.5	23,500	117,725	401.0
(minus) net investment	24,175	51,190	111.7	182,257	9,403	-94.8
(equals) Cash flow	49,296	53,541	8.6	-158,757	108,323	168.2
Average valuations	162,540	163,560	0.6	91,783	91,452	-0.4

**Table 1.2 – MIXED & PIG FARMS – ALL SIZES
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -
IDENTICAL SAMPLE 2017/18 AND 2018/19¹**

	Mixed			Pigs		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Average size of business (SLRs)		2.3			2.9	
Total area of farm (ha)	82.0	82.5	0.6	29.2	29.5	0.8
of which: crops & grass	79.0	79.5	0.6	27.4	27.6	0.9
rough grazing	1.2	1.2	0.0	1.0	1.0	0.0
Hectares - Total crops	23.6	23.6	0.1	1.2	1.6	32.8
(of which cereals)	19.5	19.3	-1.1	1.2	1.4	18.0
Av.no - Dairy cows	31.2	34.4	10.3	0.0	0.0	-
Av.no - Beef cows	13.5	12.7	-5.5	3.7	2.5	-31.4
Av.no - Other cattle	90.0	89.4	-0.6	29.1	25.6	-12.1
Av.no - Ewes	42.8	42.0	-1.9	84.7	78.5	-7.3
Av.no - Sows/gilts	11.2	11.3	1.4	165.7	170.6	3.0
Crop output :	£ per farm			£ per farm		
Cereals	18,454	23,171	25.6	705	1,632	131.4
Potatoes	5,602	8,867	58.3	0	0	-
Misc. crop output	5,618	9,308	65.7	-148	749	605.1
Total crop output	29,673	41,346	39.3	557	2,381	327.4
Livestock output :						
Cattle rearing & fattening	49,308	44,804	-9.1	18,815	9,735	-48.3
Cattle - dairy	-2,847	-6,048	-112.4	0	0	-
Milk	65,467	68,902	5.2	0	0	-
Sheep & wool	4,982	4,749	-4.7	13,425	13,149	-2.1
Pigs	36,053	31,494	-12.6	377,770	380,900	0.8
Poultry & eggs	7,197	9,375	30.2	0	0	-
Other livestock	0	6	-	0	0	-
Total livestock output	160,160	153,283	-4.3	410,010	403,784	-1.5
Single Payment	26,292	25,375	-3.5	8,555	8,920	4.3
ANC/LFA Compensatory scheme	95	43	-54.6	212	100	-52.7
Agri Environment schemes	370	34	-90.9	0	0	-
Miscellaneous subsidies	1,480	1,647	11.3	3,516	3,060	-13.0
Miscellaneous revenue	9,412	10,106	7.4	2,324	3,412	46.8
On farm - non farm income	0	0	-	0	0	-
Adjustments for disposal of previous year's crop	1,309	893	-31.8	0	0	-
Total farm output	228,791	232,727	1.7	425,173	421,657	-0.8

Table 1.2 Contd.

	Mixed			Pigs		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Inputs :	£ per farm			£ per farm		
Purchased concentrate feed & fodder	56,421	60,392	7.0	213,869	233,061	9.0
Home grown concentrate feed	4,407	4,418	0.3	0	0	-
Veterinary fees & medicines	4,549	4,797	5.5	17,131	15,598	-8.9
Other livestock costs	6,367	7,575	19.0	16,710	18,819	12.6
Purchased & home grown seed	3,374	3,109	-7.8	83	127	52.5
Fertilisers	9,218	10,843	17.6	1,256	1,439	14.6
Other crop costs	5,338	5,557	4.1	360	458	27.2
Regular & casual labour	11,411	11,182	-2.0	10,840	8,010	-26.1
Machinery excluding depreciation	22,930	26,599	16.0	12,135	12,753	5.1
Depreciation of plant machinery & vehicles	18,753	18,931	0.9	8,121	10,047	23.7
Depreciation of buildings & works	17,789	17,784	0.0	28,412	32,255	13.5
Land & building inputs	11,260	12,100	7.5	11,588	11,418	-1.5
Interest payments	3,127	3,064	-2.0	1,262	1,231	-2.4
Other general farming costs	11,808	12,283	4.0	15,812	18,463	16.8
Total variable costs	101,542	109,730	8.1	260,867	279,951	7.3
Total fixed costs	85,208	88,904	4.3	76,710	83,727	9.1
Total farm inputs	186,750	198,634	6.4	337,577	363,678	7.7
Farm Business Income	42,041	34,093	-18.9	87,596	57,978	-33.8
(plus) depreciation of buildings & works	17,789	17,784	0.0	28,412	32,255	13.5
(plus) depreciation of plant machinery & vehicles	18,753	18,931	0.9	8,121	10,047	23.7
(minus) valuation change	-7,186	14,900	307.3	791	5,639	613.0
(equals) cash income	85,769	55,908	-34.8	123,338	94,641	-23.3
(minus) net investment	49,548	28,246	-43.0	79,739	57,238	-28.2
(equals) Cash flow	36,221	27,663	-23.6	43,599	37,403	-14.2
Average valuations	200,436	214,901	7.2	155,948	161,843	3.8

**TABLE 1.3 LOWLAND CATTLE AND SHEEP
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -
IDENTICAL SAMPLE 2017/18 AND 2018/19¹**

	0.5 < 1 SLR			1 < 2 SLR			All SIZES		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Average size of business (SLRs)		0.8			1.4			1.1	
Total area of farm (ha)	48.3	47.6	-1.6	80.3	85.0	5.8	63.6	64.5	1.4
of which: crops & grass	45.5	44.7	-1.7	78.6	83.1	5.7	61.1	61.9	1.3
rough grazing	1.2	1.2	0.0	0.4	0.4	0.0	1.0	1.0	0.0
Size of enterprises :									
Hectares - Total crops	3.5	2.8	-20.3	5.5	5.0	-9.3	4.2	3.6	-14.3
Av.no - Dairy cows	0.0	0.0	-	0.0	1.2	-	0.0	0.4	-
Av.no - Beef cows	19.5	18.1	-6.8	45.5	42.9	-5.8	31.5	30.1	-4.6
Av.no - Other cattle	55.9	56.4	0.9	139.8	137.4	-1.7	91.5	91.1	-0.4
Av.no - Ewes	76.4	69.9	-8.5	51.8	46.9	-9.5	82.5	74.5	-9.7
Av.no - Sows/gilts	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Crop output :		£ per farm			£ per farm			£ per farm	
Cereals	1,874	2,379	26.9	3,698	4,818	30.3	2,552	3,239	26.9
Potatoes	0	0	-	0	0	-	44	132	197.2
Misc. crop output	887	1,960	121.0	1,114	3,726	234.5	927	2,622	183.0
Total crop output	2,761	4,339	57.1	4,812	8,544	77.5	3,522	5,993	70.1
Livestock output :									
Cattle rearing & fattening	25,932	25,296	-2.5	73,736	70,452	-4.5	47,508	45,740	-3.7
Cattle - dairy	0	0	-	0	84	-	0	25	-
Milk	0	0	-	0	2,476	-	0	754	-
Sheep & wool	7,536	6,828	-9.4	6,213	5,832	-6.1	9,147	8,753	-4.3
Pigs	0	0	-	0	0	-	0	0	-
Poultry & eggs	0	0	-	0	0	-	0	0	-
Other livestock	0	0	-	0	0	-	0	0	-
Total livestock output	33,468	32,124	-4.0	79,949	78,845	-1.4	56,655	55,273	-2.4
Single Payment	14,511	13,988	-3.6	27,859	27,502	-1.3	21,140	20,375	-3.6
ANC/LFA Compensatory scheme	0	0	-	58	28	-51.9	23	13	-44.5
Agri Environment schemes	1,296	314	-75.7	0	0	-	894	235	-73.7
Miscellaneous subsidies	115	439	281.7	619	1,754	183.3	364	947	160.1
Miscellaneous revenue	3,517	3,087	-12.2	1,234	2,643	114.1	2,768	3,195	15.4
On farm - non farm income	1,467	1,467	0.0	0	0	-	909	909	0.0
Adjustments for disposal of previous year's crop	8	0	-100.0	0	0	-	15	71	380.6
Total farm output	57,142	55,758	-2.4	114,532	119,315	4.2	86,291	87,011	0.8

Table 1.3 Contd.

	0.5 < 1 SLR			1 < 2 SLR			All SIZES		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Inputs :	£ per farm			£ per farm			£ per farm		
Purchased concentrate feed & fodder	7,618	8,694	14.1	17,060	18,955	11.1	12,297	14,055	14.3
Home grown concentrate feed	905	961	6.2	2,133	2,295	7.6	1,498	1,548	3.4
Veterinary fees & medicines	1,668	1,875	12.4	3,312	3,207	-3.2	2,717	2,736	0.7
Other livestock costs	1,747	1,892	8.3	3,934	4,620	17.4	2,921	3,181	8.9
Purchased & home grown seed	357	352	-1.4	769	898	16.7	509	568	11.5
Fertilisers	3,586	3,721	3.8	7,346	8,839	20.3	5,305	6,102	15.0
Other crop costs	717	680	-5.2	1,956	1,737	-11.2	1,230	1,074	-12.6
Regular & casual labour	476	499	4.8	1,458	1,305	-10.5	1,543	1,501	-2.7
Machinery excluding depreciation	8,642	9,209	6.6	14,956	17,575	17.5	11,876	13,162	10.8
Depreciation of plant machinery & vehicles	4,835	4,754	-1.7	12,691	14,140	11.4	8,319	8,859	6.5
Depreciation of buildings & works	3,864	3,692	-4.5	5,959	7,091	19.0	5,431	5,559	2.4
Land & building inputs	5,319	4,801	-9.7	11,107	12,862	15.8	8,329	8,571	2.9
Interest payments	234	212	-9.3	1,664	1,803	8.3	808	817	1.1
Other general farming costs	6,138	6,204	1.1	7,213	7,846	8.8	6,752	7,004	3.7
Total variable costs	20,077	22,154	10.3	43,027	48,844	13.5	31,494	35,255	11.9
Total fixed costs	26,029	25,392	-2.4	48,530	54,327	11.9	38,040	39,483	3.8
Total farm inputs	46,107	47,545	3.1	91,557	103,171	12.7	69,534	74,738	7.5
Farm Business Income	11,035	8,213	-25.6	22,975	16,144	-29.7	16,757	12,274	-26.8
(plus) depreciation of buildings & works	3,864	3,692	-4.5	5,959	7,091	19.0	5,431	5,559	2.4
(plus) depreciation of plant machinery & vehicles	4,835	4,754	-1.7	12,691	14,140	11.4	8,319	8,859	6.5
(minus) valuation change	-517	-75	85.5	5,750	1,500	-73.9	2,068	751	-63.7
(equals) cash income	20,252	16,734	-17.4	35,875	35,875	0.0	28,439	25,941	-8.8
(minus) net investment	11,259	7,351	-34.7	19,711	34,064	72.8	15,034	18,161	20.8
(equals) Cash flow	8,994	9,383	4.3	16,164	1,810	-88.8	13,404	7,780	-42.0
Average valuations	85,962	85,913	-0.1	189,359	199,668	5.4	135,329	139,166	2.8

**TABLE 1.4 – DAIRY FARMS
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -
IDENTICAL SAMPLE 2017/18 AND 2018/19¹**

	0.5 < 1 SLR			1 < 2 SLR			2 < 3 SLR			> 3 SLR		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Average size of business (SLRs)	0.9			1.5			2.5			4.9		
Total area of farm (ha)	24.3	24.5	1.0	50.5	50.5	0.0	73.8	75.6	2.4	127.7	131.0	2.6
of which: crops & grass	23.3	23.5	1.0	46.2	46.6	1.0	66.8	68.4	2.4	121.9	122.8	0.7
rough grazing	0.1	0.1	0.0	2.7	2.7	0.0	5.5	5.7	3.9	3.5	2.8	-21.7
Size of enterprises :												
Hectares - Total crops	0.0	0.0	-	0.7	0.6	-17.4	1.7	2.3	31.4	5.7	5.9	3.5
Av.no - Dairy cows	36.6	37.0	1.0	55.0	54.5	-1.0	96.8	94.6	-2.3	197.7	201.1	1.7
Av.no - Beef cows	0.0	0.0	-	3.9	3.7	-4.3	2.1	1.8	-17.4	1.8	1.0	-42.6
Av.no - Other cattle	15.8	15.8	0.1	47.7	49.1	3.0	79.7	81.4	2.1	153.5	150.3	-2.1
Av.no - Ewes	0.0	0.0	-	19.5	19.3	-1.2	8.7	10.0	14.9	4.7	4.4	-7.1
Av.no - Sows/gilts	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Crop output :												
	£ per farm			£ per farm			£ per farm			£ per farm		
Cereals	0	0	-	352	529	50.0	1,134	708	-37.6	1,809	1,693	-6.4
Potatoes	0	0	-	0	0	-	0	0	-	0	0	-
Misc. crop output	0	0	-	-113	1,215	1178.0	109	1,791	1535.6	-675	5,563	923.6
Total crop output	0	0	-	240	1,744	627.5	1,243	2,499	101.0	1,133	7,256	540.2
Livestock output :												
Cattle rearing & fattening	8,045	7,859	-2.3	19,756	22,176	12.2	32,676	34,189	4.6	63,152	66,287	5.0
Cattle - dairy	-367	52	114.2	-475	-1,189	-150.6	-5,747	-3,453	39.9	-13,264	-9,658	27.2
Milk	56,806	54,200	-4.6	86,968	93,119	7.1	164,569	168,223	2.2	396,547	403,843	1.8
Sheep & wool	0	0	-	1,655	1,551	-6.3	614	713	16.2	335	543	62.0
Pigs	0	0	-	0	0	-	0	0	-	0	0	-
Poultry & eggs	0	0	-	0	0	-	949	975	2.7	722	1,038	43.8
Other livestock	0	0	-	15	0	-100.0	0	0	-	0	0	-
Total livestock output	64,484	62,111	-3.7	107,919	115,656	7.2	193,061	200,647	3.9	447,491	462,053	3.3
Single Payment	6,800	6,754	-0.7	13,752	13,684	-0.5	19,403	19,425	0.1	36,407	35,637	-2.1
ANC/LFA Compensatory scheme	0	0	-	371	171	-53.9	273	159	-42.0	16	16	4.1
Agri Environment schemes	0	0	-	35	35	-0.7	131	56	-57.2	292	45	-84.8
Miscellaneous subsidies	993	363	-63.4	870	413	-52.6	1,491	837	-43.9	1,451	1,251	-13.8
Miscellaneous revenue	9	10	3.2	797	1,121	40.6	4,828	6,436	33.3	5,641	7,827	38.7
On farm - non farm income	0	0	-	0	0	-	0	0	-	0	0	-
Adjustments for disposal of previous year's crop	0	0	-	0	0	-	0	0	-	0	0	-
Total farm output	72,286	69,237	-4.2	123,984	132,824	7.1	220,431	230,058	4.4	492,432	514,084	4.4

Table 1.4 Contd.

	0.5 < 1 SLR			1 < 2 SLR			2 < 3 SLR			> 3 SLR		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Inputs :	£ per farm			£ per farm			£ per farm			£ per farm		
Purchased concentrate feed & fodder	15,126	15,776	4.3	26,319	32,969	25.3	54,730	63,662	16.3	154,431	173,940	12.6
Home grown concentrate feed	1,345	1,423	5.8	2,652	2,603	-1.9	3,982	3,699	-7.1	5,616	5,611	-0.1
Veterinary fees & medicines	2,187	2,401	9.8	3,695	3,741	1.3	5,246	5,772	10.0	14,728	15,116	2.6
Other livestock costs	1,923	2,907	51.2	4,651	5,528	18.8	8,759	10,403	18.8	22,170	24,936	12.5
Purchased & home grown seed	75	147	97.8	170	246	44.8	361	596	65.4	1,489	1,977	32.8
Fertilisers	3,210	3,410	6.2	5,193	6,842	31.8	8,985	10,330	15.0	17,701	19,686	11.2
Other crop costs	390	248	-36.5	808	932	15.3	1,416	1,111	-21.6	4,159	4,653	11.9
Regular & casual labour	495	592	19.7	1,297	1,404	8.2	4,383	5,033	14.8	16,801	18,252	8.6
Machinery excluding depreciation	7,197	7,361	2.3	12,315	14,543	18.1	19,169	23,207	21.1	47,197	53,623	13.6
Depreciation of plant machinery & vehicles	4,354	4,057	-6.8	7,744	8,335	7.6	12,688	14,644	15.4	21,863	26,235	20.0
Depreciation of buildings & works	2,027	1,858	-8.3	6,576	6,591	0.2	14,226	14,593	2.6	30,632	25,854	-15.6
Land & building inputs	4,522	3,889	-14.0	6,758	7,439	10.1	11,999	12,448	3.7	25,348	26,186	3.3
Interest payments	148	151	1.9	1,009	1,002	-0.6	3,375	3,983	18.0	7,911	8,209	3.8
Other general farming costs	7,153	7,780	8.8	8,552	8,964	4.8	10,966	12,124	10.6	20,663	22,446	8.6
Total variable costs	27,851	30,874	10.9	49,965	60,547	21.2	95,531	109,827	15.0	254,554	285,804	12.3
Total fixed costs	22,303	21,124	-5.3	37,774	40,592	7.5	64,753	71,778	10.8	136,156	140,921	3.5
Total farm inputs	50,153	51,999	3.7	87,739	101,139	15.3	160,284	181,606	13.3	390,710	426,725	9.2
Farm Business Income	22,133	17,239	-22.1	36,246	31,684	-12.6	60,147	48,452	-19.4	101,722	87,360	-14.1
(plus) depreciation of buildings & works	2,027	1,858	-8.3	6,576	6,591	0.2	14,226	14,593	2.6	30,632	25,854	-15.6
(plus) depreciation of plant machinery & vehicles	4,354	4,057	-6.8	7,744	8,335	7.6	12,688	14,644	15.4	21,863	26,235	20.0
(minus) valuation change	2,535	2,469	-2.6	1,691	1,110	-34.3	2,578	-254	-109.9	4,112	-1,428	-34.7
(equals) cash income	25,980	20,685	-20.4	48,875	45,500	-6.9	84,483	77,944	-7.7	150,106	140,877	-6.1
(minus) net investment	2,547	8,952	251.5	11,477	27,369	138.5	27,370	53,741	96.3	51,254	68,887	34.4
(equals) Cash flow	23,433	11,733	-49.9	37,399	18,131	-51.5	57,113	24,204	-57.6	98,852	71,990	-27.2
Average valuations	55,951	57,190	2.2	107,147	111,835	4.4	172,952	183,952	6.4	341,776	359,357	5.1

**TABLE 1.5 – LFA CATTLE AND SHEEP
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -
IDENTICAL SAMPLE 2017/18 AND 2018/19**

	0.5 < 1 SLR			1 < 2 SLR			2 < 3 SLR			> 3 SLR		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Average size of business (SLRs)	0.7			1.4			2.4			3.6		
Total area of farm (ha)	68.5	68.2	-0.4	119.7	120.2	0.4	244.5	244.3	-0.1	234.2	234.6	0.2
of which: crops & grass	42.9	42.7	-0.5	74.5	75.1	0.9	110.3	109.6	-0.6	197.3	197.7	0.2
rough grazing	16.1	16.0	-1.0	33.9	33.7	-0.5	65.0	65.5	0.7	25.0	25.0	0.0
Size of enterprises :												
Hectares - Total crops	0.4	0.5	13.5	1.7	1.7	-0.3	7.4	7.4	0.0	1.7	2.8	70.0
Av.no - Dairy cows	0.2	0.2	-4.8	0.7	0.7	0.3	0.0	0.0	-	0.0	0.0	-
Av.no - Beef cows	24.7	22.5	-8.9	40.2	37.7	-6.2	61.8	61.1	-1.2	116.7	120.7	3.4
Av.no - Other cattle	37.7	36.7	-2.6	79.1	81.9	3.5	130.6	126.5	-3.1	185.8	176.5	-5.0
Av.no - Ewes	94.9	86.3	-9.0	205.6	198.8	-3.3	318.4	310.1	-2.6	529.5	584.1	10.3
Av.no - Sows/gilts	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-	0.0	0.0	-
Crop output :	£ per farm			£ per farm			£ per farm			£ per farm		
Cereals	26	18	-30.6	1,209	1,386	14.6	3,230	4,037	25.0	360	1,322	267.3
Potatoes	0	0	-	0	0	-	6,621	6,784	2.5	0	0	-
Misc. crop output	-138	854	717.5	-715	1,644	329.9	-520	3,754	822.6	-659	2,278	445.6
Total crop output	-112	872	876.1	494	3,030	513.2	9,332	14,576	56.2	-299	3,600	1302.3
Livestock output :												
Cattle rearing & fattening	20,580	18,672	-9.3	41,947	44,015	4.9	68,661	70,264	2.3	112,590	113,806	1.1
Cattle - dairy	21	3	-84.4	57	153	171.0	0	0	-	0	0	-
Milk	213	212	-0.3	1,023	933	-8.8	0	0	-	0	0	-
Sheep & wool	9,375	9,779	4.3	20,480	19,301	-5.8	21,096	22,185	5.2	60,196	65,462	8.7
Pigs	0	0	-	0	0	-	0	0	-	0	0	-
Poultry & eggs	0	0	-	0	0	-	0	0	-	0	0	-
Other livestock	3	241	8058.0	0	0	-	0	500	-	0	0	-
Total livestock output	30,192	28,907	-4.3	63,506	64,402	1.4	89,758	92,949	3.6	172,786	179,268	3.8
Single Payment	18,658	18,814	0.8	31,256	31,763	1.6	59,031	59,298	0.5	77,388	74,420	-3.8
ANC/LFA Compensatory scheme	2,449	1,184	-51.7	3,973	1,955	-50.8	8,692	4,215	-51.5	4,570	2,542	-44.4
Agri Environment schemes	797	1,051	31.9	548	308	-43.7	363	0	-	0	0	-
Miscellaneous subsidies	236	919	289.9	648	689	6.5	739	3,567	382.7	1,433	3,252	126.9
Miscellaneous revenue	1,572	1,934	23.1	1,386	3,169	128.6	224	1,457	549.1	21,163	10,631	-49.8
On farm - non farm income	0	0	-	0	0	-	0	0	-	0	0	-
Adjustments for disposal of previous year's crop	0	0	-	0	0	-	82	195	136.7	0	0	-
Total farm output	53,791	53,681	-0.2	101,811	105,317	3.4	168,221	176,256	4.8	277,041	273,713	-1.2

Table 1.5 Contd.

	0.5 < 1 SLR			1 < 2 SLR			2 < 3 SLR			> 3 SLR		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Inputs :	£ per farm			£ per farm			£ per farm			£ per farm		
Purchased concentrate feed & fodder	7,960	8,565	7.6	16,630	19,226	15.6	22,365	23,983	7.2	35,591	37,249	4.7
Home grown concentrate feed	56	27	-51.0	1,175	1,037	-11.8	2,826	3,513	24.3	756	1,322	74.8
Veterinary fees & medicines	2,253	2,191	-2.8	4,200	3,894	-7.3	5,065	6,170	21.8	12,536	13,153	4.9
Other livestock costs	1,638	1,536	-6.2	3,030	3,231	6.6	3,347	3,415	2.0	10,260	9,970	-2.8
Purchased & home grown seed	108	185	71.3	292	448	53.8	1,658	1,349	-18.7	189	1,755	827.5
Fertilisers	3,545	4,013	13.2	6,975	7,771	11.4	12,528	13,110	4.6	13,531	24,503	81.1
Other crop costs	507	477	-6.0	1,048	1,309	24.9	2,115	2,462	16.4	1,614	1,747	8.2
Regular & casual labour	946	739	-21.9	2,455	2,659	8.3	5,075	4,970	-2.1	4,014	4,966	23.7
Machinery excluding depreciation	7,728	8,613	11.5	11,675	13,642	16.8	16,013	20,745	29.6	34,255	40,574	18.4
Depreciation of plant machinery & vehicles	5,500	6,207	12.8	9,803	9,513	-3.0	13,233	13,985	5.7	25,818	23,696	-8.2
Depreciation of buildings & works	3,142	2,945	-6.3	6,870	6,648	-3.2	8,153	7,263	-10.9	3,559	4,326	21.6
Land & building inputs	4,646	5,099	9.7	8,869	9,166	3.3	17,977	14,785	-17.8	17,751	19,455	9.6
Interest payments	284	263	-7.6	742	721	-2.8	696	643	-7.6	4,845	4,572	-5.6
Other general farming costs	4,968	5,239	5.5	6,169	6,664	8.0	7,688	7,580	-1.4	13,662	12,499	-8.5
Total variable costs	19,323	20,793	7.6	38,401	42,540	10.8	59,047	64,453	9.2	89,321	110,583	23.8
Total fixed costs	23,958	25,307	5.6	41,532	43,390	4.5	59,691	59,519	-0.3	89,061	89,204	0.2
Total farm inputs	43,281	46,100	6.5	79,933	85,930	7.5	118,738	123,972	4.4	178,382	199,787	12.0
Farm Business Income	10,510	7,581	-27.9	21,878	19,387	-11.4	49,483	52,284	5.7	98,659	73,926	-25.1
(plus) depreciation of buildings & works	3,142	2,945	-6.3	6,870	6,648	-3.2	8,153	7,263	-10.9	3,559	4,326	21.6
(plus) depreciation of plant machinery & vehicles	5,500	6,207	12.8	9,803	9,513	-3.0	13,233	13,985	5.7	25,818	23,696	-8.2
(minus) valuation change	-596	-1,774	-197.9	3,317	651	-80.4	4,801	-418	108.7	16,911	-7,913	-146.8
(equals) cash income	19,747	18,507	-6.3	35,233	34,896	-1.0	66,067	73,950	11.9	111,125	109,861	-1.1
(minus) net investment	5,989	7,327	22.3	16,329	22,327	36.7	12,411	29,504	137.7	36,164	44,686	23.6
(equals) Cash flow	13,758	11,180	-18.7	18,904	12,569	-33.5	53,656	44,446	-17.2	74,961	65,175	-13.1
Average valuations	76,336	76,412	0.1	146,769	151,209	3.0	225,081	230,488	2.4	394,600	404,094	2.4

**TABLE 1.6 – DAIRY AND LFA CATTLE AND SHEEP – ALL SIZES
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -
IDENTICAL SAMPLE 2017/18 AND 2018/19¹**

	Dairy			LFA Cattle & Sheep		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Average size of business (SLRs)		3.1			1.0	
Total area of farm (ha)	86.3	88.2	2.1	94.7	94.6	0.0
of which: crops & grass	81.0	81.8	1.1	57.9	57.9	0.0
rough grazing	3.6	3.3	-7.3	23.7	23.5	-0.5
Hectares - Total crops	3.0	3.2	6.0	1.2	1.2	4.9
Av.no - Dairy cows	122.7	123.4	0.6	0.3	0.3	-1.7
Av.no - Beef cows	2.4	1.9	-19.1	32.6	30.5	-6.4
Av.no - Other cattle	97.1	96.6	-0.5	56.6	56.3	-0.5
Av.no - Ewes	9.7	9.8	1.1	144.8	138.0	-4.8
Av.no - Sows/gilts	0.0	0.0	-	0.0	0.0	-
Crop output :	£ per farm			£ per farm		
Cereals	1,120	1,020	-8.9	519	622	19.8
Potatoes	0	0	-	343	351	2.5
Misc. crop output	-284	3,072	1182.4	-325	1,246	483.8
Total crop output	836	4,092	389.4	538	2,219	312.9
Livestock output :						
Cattle rearing & fattening	40,048	42,392	5.9	30,629	30,043	-1.9
Cattle - dairy	-7,003	-5,147	26.5	29	44	50.9
Milk	231,292	236,803	2.4	418	393	-5.9
Sheep & wool	765	844	10.4	13,969	14,071	0.7
Pigs	0	0	-	0	0	-
Poultry & eggs	527	663	25.9	0	0	-
Other livestock	4	0	-100.0	2	184	9389.7
Total livestock output	265,632	275,554	3.7	45,047	44,734	-0.7
Single Payment	24,032	23,698	-1.4	25,291	25,489	0.8
ANC/LFA Compensatory scheme	180	95	-47.4	3,226	1,576	-51.2
Agri Environment schemes	162	42	-74.1	692	775	12.0
Miscellaneous subsidies	1,266	857	-32.3	396	1,038	161.8
Miscellaneous revenue	3,719	5,100	37.1	1,826	2,411	32.0
On farm - non farm income	0	0	-	0	0	-
Adjustments for disposal of previous year's crop	0	0	-	4	10	136.5
Total farm output	295,828	309,438	4.6	77,019	78,252	1.6

Table 1.6 Contd.

	Dairy			LFA Cattle & Sheep		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Inputs :	£ per farm			£ per farm		
Purchased concentrate feed & fodder	85,223	97,365	14.2	11,588	12,806	10.5
Home grown concentrate feed	4,117	4,037	-1.9	517	507	-1.9
Veterinary fees & medicines	8,519	8,832	3.7	3,124	3,069	-1.8
Other livestock costs	12,690	14,536	14.5	2,269	2,255	-0.6
Purchased & home grown seed	753	1,037	37.7	240	347	44.7
Fertilisers	11,139	12,769	14.6	5,132	5,896	14.9
Other crop costs	2,309	2,466	6.8	758	830	9.4
Regular & casual labour	8,373	9,163	9.4	1,628	1,560	-4.2
Machinery excluding depreciation	28,020	32,293	15.2	9,735	11,218	15.2
Depreciation of plant machinery & vehicles	14,550	16,975	16.7	7,457	7,841	5.2
Depreciation of buildings & works	18,055	16,174	-10.4	4,421	4,200	-5.0
Land & building inputs	15,541	16,154	3.9	6,733	6,979	3.7
Interest payments	4,369	4,637	6.1	517	489	-5.4
Other general farming costs	14,035	15,204	8.3	5,601	5,886	5.1
Total variable costs	143,833	163,375	13.6	27,897	30,674	10.0
Total fixed costs	83,859	88,265	5.3	31,824	33,209	4.4
Total farm inputs	227,693	251,640	10.5	59,721	63,883	7.0
Farm Business Income	68,135	57,798	-15.2	17,298	14,368	-16.9
(plus) depreciation of buildings & works	18,055	16,174	-10.4	4,421	4,200	-5.0
(plus) depreciation of plant machinery & vehicles	14,550	16,975	16.7	7,457	7,841	5.2
(minus) valuation change	2,950	-185	-106.3	1,081	-1,162	-207.5
(equals) cash income	97,791	91,132	-6.8	28,096	27,573	-1.9
(minus) net investment	31,161	49,756	59.7	9,706	13,262	36.6
(equals) Cash flow	66,629	41,375	-37.9	18,390	14,310	-22.2
Average valuations	216,582	227,899	5.2	109,243	110,960	1.6

**TABLE 1.7 – ALL TYPES – 4 SIZE GROUPS
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -
IDENTICAL SAMPLE 2017/18 AND 2018/19¹**

	0.5 < 1 SLR			1 < 2 SLR			2 < 3 SLR			All Sizes		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Average size of business (SLRs)	0.7			1.4			2.5			1.7		
Total area of farm (ha)	60.7	60.4	-0.6	89.1	90.3	1.3	112.5	113.5	0.9	84.7	85.4	0.8
of which: crops & grass	42.8	42.4	-0.8	67.1	68.5	2.0	80.0	80.8	1.0	65.4	65.8	0.6
rough grazing	11.1	11.0	-1.0	16.0	15.9	-0.5	16.9	17.1	1.3	12.2	12.1	-1.1
Size of enterprises :												
Hectares - Total crops	1.8	1.7	-5.4	4.9	4.7	-2.9	4.3	4.5	4.9	4.0	3.9	-1.1
Av.no - Dairy cows	1.4	1.4	0.6	15.8	15.9	0.5	59.2	57.9	-2.1	35.5	35.9	1.1
Av.no - Beef cows	21.8	20.0	-8.5	28.7	26.9	-6.0	23.1	23.0	-0.5	22.3	20.9	-6.3
Av.no - Other cattle	42.0	41.2	-1.7	80.6	81.7	1.4	98.4	98.5	0.1	74.5	74.1	-0.6
Av.no - Ewes	83.8	76.4	-8.8	110.4	105.6	-4.3	107.0	101.9	-4.7	88.7	83.8	-5.5
Av.no - Sows/gilts	0.2	0.2	-0.4	0.7	0.8	9.3	3.6	3.5	-0.4	3.1	3.2	2.7
Crop output :	£ per farm			£ per farm			£ per farm			£ per farm		
Cereals	853	1,276	49.6	3,100	4,043	30.4	1,851	1,955	5.6	2,248	2,743	22.0
Potatoes	328	499	52.0	1,714	3,156	84.2	5,519	10,116	83.3	1,277	2,299	80.0
Misc. crop output	275	1,313	377.0	777	3,000	286.3	75	2,450	3179.6	408	2,638	546.3
Total crop output	1,456	3,087	112.0	5,591	10,200	82.4	7,444	14,521	95.1	3,934	7,679	95.2
Livestock output :												
Cattle rearing & fattening	21,779	20,038	-8.0	41,200	41,857	1.6	48,633	49,347	1.5	36,565	36,235	-0.9
Cattle - dairy	1	4	309.2	-109	-251	130.6	-3,564	-2,321	34.9	-2,043	-1,640	19.8
Milk	2,146	2,054	-4.3	25,007	27,199	8.8	102,118	104,144	2.0	67,023	68,817	2.7
Sheep & wool	8,330	8,412	1.0	11,157	10,442	-6.4	9,318	9,871	5.9	8,842	8,821	-0.2
Pigs	692	699	1.1	1,698	1,908	12.4	11,669	11,184	-4.1	7,558	7,432	-1.7
Poultry & eggs	0	0	-	196	236	20.4	1,587	2,154	35.7	425	547	28.7
Other livestock	2	161	8050.0	4	0	100.0	0	104	-	2	86	4009.1
Total livestock output	32,950	31,368	-4.8	79,155	81,391	2.8	169,761	174,483	2.8	118,371	120,299	1.6
Single Payment	16,882	16,855	-0.2	25,031	25,079	0.2	30,871	30,437	-1.4	23,808	23,638	-0.7
ANC/LFA Compensatory scheme	1,642	794	-51.7	1,901	931	-51.0	1,982	979	-50.6	1,562	765	-51.0
Agri Environment schemes	866	787	-9.1	253	147	-42.0	297	97	-67.2	548	417	-23.9
Miscellaneous subsidies	269	762	183.6	712	824	15.8	1,413	1,485	5.2	727	1,019	40.2
Miscellaneous revenue	2,010	2,147	6.8	1,526	2,769	81.5	3,360	5,067	50.8	2,884	3,673	27.3
On farm - non farm income	373	373	0.0	0	0	-	0	0	-	170	170	0.0
Adjustments for disposal of previous year's crop	16	22	36.4	96	106	10.3	33	155	365.6	58	61	6.7
Total farm output	56,463	56,194	-0.5	114,264	121,447	6.3	215,160	227,223	5.6	152,061	157,722	3.7

Table 1.7 Contd.

	0.5 < 1 SLR			1 < 2 SLR			2 < 3 SLR			All Sizes		
	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change	2017/18	2018/19	% Change
Inputs :	£ per farm			£ per farm			£ per farm			£ per farm		
Purchased concentrate feed & fodder	8,540	9,302	8.9	20,202	23,792	17.8	49,735	56,229	13.1	37,070	41,800	12.8
Home grown concentrate feed	391	374	-4.5	1,772	1,783	0.7	3,485	3,389	-2.8	1,835	1,821	-0.8
Veterinary fees & medicines	2,091	2,098	0.3	3,695	3,566	-3.5	5,830	6,157	5.6	4,789	4,837	1.0
Other livestock costs	1,678	1,685	0.4	3,622	4,154	14.7	7,597	8,619	13.4	5,654	6,287	11.2
Purchased & home grown seed	269	324	20.2	740	839	13.3	1,046	1,138	8.8	685	824	20.2
Fertilisers	3,617	3,983	10.1	6,741	7,894	17.1	9,841	11,219	14.0	7,041	8,071	14.6
Other crop costs	674	646	-4.2	1,667	1,805	8.2	1,906	1,724	-9.5	1,614	1,662	3.0
Regular & casual labour	796	693	-12.9	2,326	2,391	2.8	5,460	5,593	2.4	4,080	4,191	2.7
Machinery excluding depreciation	8,068	8,941	10.8	13,168	15,148	15.0	19,523	23,479	20.3	15,992	18,270	14.2
Depreciation of plant machinery & vehicles	5,219	5,642	8.1	10,178	10,525	3.4	15,038	16,870	12.2	10,283	11,255	9.5
Depreciation of buildings & works	3,213	3,041	-5.4	6,700	6,902	3.0	13,487	13,417	-0.5	9,290	8,758	-5.7
Land & building inputs	4,854	4,949	2.0	8,786	9,495	8.1	14,812	14,261	-3.7	9,848	10,189	3.5
Interest payments	261	242	-7.3	1,137	1,196	5.2	3,056	3,615	18.3	1,829	1,936	5.8
Other general farming costs	5,390	5,613	4.2	7,399	7,877	6.5	10,362	11,164	7.7	8,642	9,210	6.6
Total variable costs	20,664	22,448	8.6	44,538	50,837	14.1	90,308	101,287	12.2	67,717	75,802	11.9
Total fixed costs	24,398	25,085	2.8	43,596	46,529	6.7	70,869	75,586	6.7	50,934	53,308	4.7
Total farm inputs	45,061	47,533	5.5	88,134	97,367	10.5	161,177	176,873	9.7	118,652	129,110	8.8
Farm Business Income	11,401	8,661	-24.0	26,130	24,081	-7.8	53,984	50,350	-6.7	33,410	28,612	-14.4
(plus) depreciation of buildings & works	3,213	3,041	-5.4	6,700	6,902	3.0	13,487	13,417	-0.5	9,290	8,758	-5.7
(plus) depreciation of plant machinery & vehicles	5,219	5,642	8.1	10,178	10,525	3.4	15,038	16,870	12.2	10,283	11,255	9.5
(minus) valuation change	-409	-1,267	-209.8	2,041	2,042	0.0	3,660	323	-91.2	1,513	206	-86.4
(equals) cash income	20,242	18,611	-8.1	40,968	39,467	-3.7	78,849	80,314	1.9	51,470	48,419	-5.9
(minus) net investment	6,976	7,269	4.2	15,485	26,210	69.3	40,982	47,663	16.3	21,238	25,745	21.2
(equals) Cash flow	13,267	11,343	-14.5	25,483	13,257	-48.0	37,867	32,651	-13.8	30,232	22,673	-25.0
Average valuations	77,829	77,785	-0.1	143,393	148,748	3.7	203,380	213,049	4.8	148,296	153,615	3.6

**INCOMES ON CATTLE & SHEEP (LFA & LOWLAND),
DAIRY AND ALL FARM TYPES ABOVE 1SLR IN 2017/18 AND 2018/19¹**

£ PER FARM

		Farm Business Income	Cash Income	Net Farm Income
Dairy	17/18	70,961	102,202	68,718
	18/19	60,290	95,459	55,033
Cattle and Sheep (LFA)	17/18	30,333	44,127	16,294
	18/19	27,401	44,981	12,368
Cattle and Sheep (Lowland)	17/18	26,096	41,801	18,765
	18/19	18,902	40,971	11,249
All Types	17/18	51,871	77,665	46,129
	18/19	45,348	73,423	37,983

1. Based on data from an identical sample of farms.

ASSETS AND LIABILITIES OF CEREAL FARMS, 2018/19
AVERAGE FARM SIZE 120.1 HECTARES

	Opening Valuation	£	Closing Valuation
Land and Buildings	2,073,495		2,108,970
Other fixed assets	136,109		138,024
TOTAL FIXED ASSETS	2,209,604		2,246,994
Trading livestock, crops & stores	22,497		30,488
Debtors and short-term lending	16,570		9,360
Cash in hand and at bank	14,859		23,777
TOTAL CURRENT ASSETS	53,926		63,624
TOTAL ASSETS	2,263,530		2,310,619
Bank & other institutional loans	11,058		9,981
Family & other loans	0		0
TOTAL LONG-TERM LOANS	11,058		9,981
Bank overdraft	0		0
Other short-term borrowing	14,209		21,125
TOTAL SHORT-TERM LOANS	14,209		21,125
TOTAL EXTERNAL LIABILITIES	25,267		31,106
NET WORTH	2,238,264		2,279,512

**ASSETS AND LIABILITIES OF GENERAL CROPPING FARMS, 2018/19
AVERAGE FARM SIZE 54.6 HECTARES**

	Opening Valuation	£	Closing Valuation
Land and Buildings	1,193,016		1,195,406
Other fixed assets	73,842		65,302
TOTAL FIXED ASSETS	1,266,858		1,260,708
Trading livestock, crops & stores	22,895		20,861
Debtors and short-term lending	0		0
Cash in hand and at bank	2,818		3,024
TOTAL CURRENT ASSETS	25,713		23,885
TOTAL ASSETS	1,292,571		1,284,594
Bank & other institutional loans	137,952		123,431
Family & other loans	0		0
TOTAL LONG-TERM LOANS	137,952		123,431
Bank overdraft	68,383		72,872
Other short-term borrowing	32,592		17,527
TOTAL SHORT-TERM LOANS	100,975		90,399
TOTAL EXTERNAL LIABILITIES	238,927		213,830
NET WORTH	1,053,644		1,070,763

ASSETS AND LIABILITIES OF PIGS FARMS, 2018/19
AVERAGE FARM SIZE 29.5 HECTARES

	Opening Valuation	£	Closing Valuation
Land and Buildings	670,361		687,575
Other fixed assets	62,752		68,978
TOTAL FIXED ASSETS	733,112		756,553
Trading livestock, crops & stores	92,987		99,302
Debtors and short-term lending	2,972		1,584
Cash in hand and at bank	11,592		8,322
TOTAL CURRENT ASSETS	107,551		109,208
TOTAL ASSETS	840,663		865,760
Bank & other institutional loans	13,146		11,675
Family & other loans	0		4,138
TOTAL LONG-TERM LOANS	13,146		15,813
Bank overdraft	36,366		35,793
Other short-term borrowing	11,727		10,702
TOTAL SHORT-TERM LOANS	48,093		46,495
TOTAL EXTERNAL LIABILITIES	61,239		62,308
NET WORTH	779,424		803,452

**ASSETS AND LIABILITIES OF DAIRY FARMS, 2018/19
AVERAGE FARM SIZE 88.2 HECTARES**

	Opening Valuation	£	Closing Valuation
Land and Buildings	1,202,306		1,220,957
Other fixed assets	157,236		168,790
TOTAL FIXED ASSETS	1,359,542		1,389,748
Trading livestock, crops & stores	63,330		65,452
Debtors and short-term lending	20,425		19,895
Cash in hand and at bank	11,171		12,293
TOTAL CURRENT ASSETS	94,926		97,640
TOTAL ASSETS	1,454,468		1,487,388
Bank & other institutional loans	70,199		83,246
Family & other loans	1,036		171
TOTAL LONG-TERM LOANS	71,235		83,417
Bank overdraft	22,193		21,648
Other short-term borrowing	15,062		14,602
TOTAL SHORT-TERM LOANS	37,255		36,250
TOTAL EXTERNAL LIABILITIES	108,490		119,667
NET WORTH	1,345,977		1,367,721

**ASSETS AND LIABILITIES OF CATTLE AND SHEEP FARMS (LFA), 2018/19
AVERAGE FARM SIZE 94.6 HECTARES**

	Opening Valuation	£	Closing Valuation
Land and Buildings	1,042,309		1,071,751
Other fixed assets	66,164		66,522
TOTAL FIXED ASSETS	1,108,473		1,138,273
Trading livestock, crops & stores	43,339		45,149
Debtors and short-term lending	515		423
Cash in hand and at bank	11,346		14,622
TOTAL CURRENT ASSETS	55,200		60,194
TOTAL ASSETS	1,163,673		1,198,467
Bank & other institutional loans	4,921		4,163
Family & other loans	0		27
TOTAL LONG-TERM LOANS	4,921		4,190
Bank overdraft	6,316		6,241
Other short-term borrowing	2,006		2,265
TOTAL SHORT-TERM LOANS	8,322		8,506
TOTAL EXTERNAL LIABILITIES	13,243		12,696
NET WORTH	1,150,429		1,185,772

**ASSETS AND LIABILITIES OF CATTLE AND SHEEP FARMS
(LOWLAND) 2018/19
AVERAGE FARM SIZE 64.5 HECTARES**

	Opening Valuation	£	Closing Valuation
Land and Buildings	1,201,711		1,218,288
Other fixed assets	62,807		66,529
TOTAL FIXED ASSETS	1,264,518		1,284,816
Trading livestock, crops & stores	73,334		75,237
Debtors and short-term lending	543		882
Cash in hand and at bank	16,614		17,698
TOTAL CURRENT ASSETS	90,491		93,818
TOTAL ASSETS	1,355,009		1,378,634
Bank & other institutional loans	11,859		12,799
Family & other loans	0		0
TOTAL LONG-TERM LOANS	11,859		12,799
Bank overdraft	4,755		7,331
Other short-term borrowing	3,504		2,824
TOTAL SHORT-TERM LOANS	8,260		10,155
TOTAL EXTERNAL LIABILITIES	20,119		22,954
NET WORTH	1,334,890		1,355,680

**ASSETS AND LIABILITIES OF MIXED FARMS, 2018/19
AVERAGE FARM SIZE 82.5 HECTARES**

	Opening Valuation	£	Closing Valuation
Land and Buildings	1,624,224		1,612,049
Other fixed assets	120,286		122,605
TOTAL FIXED ASSETS	1,744,510		1,734,654
Trading livestock, crops & stores	85,744		100,961
Debtors and short-term lending	7,186		7,191
Cash in hand and at bank	17,551		24,142
TOTAL CURRENT ASSETS	110,482		132,294
TOTAL ASSETS	1,854,992		1,866,948
Bank & other institutional loans	59,622		60,482
Family & other loans	6,337		3,169
TOTAL LONG-TERM LOANS	65,959		63,651
Bank overdraft	9,392		9,807
Other short-term borrowing	10,338		11,226
TOTAL SHORT-TERM LOANS	19,730		21,033
TOTAL EXTERNAL LIABILITIES	85,689		84,684
NET WORTH	1,769,302		1,782,264

**ASSETS AND LIABILITIES OF ALL TYPES, 2018/19
AVERAGE FARM SIZE 85.4 HECTARES**

	Opening Valuation	£	Closing Valuation
Land and Buildings	1,139,142		1,161,111
Other fixed assets	93,280		97,464
TOTAL FIXED ASSETS	1,232,422		1,258,574
Trading livestock, crops & stores	56,644		59,137
Debtors and short-term lending	6,418		6,237
Cash in hand and at bank	12,451		14,733
TOTAL CURRENT ASSETS	75,513		80,107
TOTAL ASSETS	1,307,935		1,338,681
Bank & other institutional loans	28,049		31,349
Family & other loans	533		250
TOTAL LONG-TERM LOANS	28,582		31,599
Bank overdraft	11,676		12,025
Other short-term borrowing	6,774		6,528
TOTAL SHORT-TERM LOANS	18,449		18,552
TOTAL EXTERNAL LIABILITIES	47,031		50,152
NET WORTH	1,260,904		1,288,530

APPENDIX 3

ENTERPRISE GROSS MARGIN RESULTS CLASSIFIED INTO PERFORMANCE CATEGORIES

This Appendix contains the 2018/19 gross margin results, presented by performance categories, for each of the main farm enterprises found on farms in the Farm Business Survey (FBS). The results are presented in this way so that farmers in Northern Ireland may assess the level of performance achieved in their main farming activities. Comparisons between the FBS results and individual farm results will quickly establish the level of performance achieved and the scope, if any, for improvements.

Four performance categories are applied for enterprises with sufficient observations: 'excellent', 'good', 'moderate' and 'poor'. The good and moderate categories comprise all those farms in the FBS with gross margins which are within one standard deviation above and below the mean result respectively. Those farms with performances which fall within the range 1 and 2 standard deviations, above and below the mean performance respectively, comprise the excellent and poor categories. When there is a normal distribution of results, the excellent category includes approximately 15% of the farms, good 33%, moderate 33% and poor 15%. Approximately 5% of the farms in the sample are excluded, that is the 2.5% of results which are beyond 2 standard deviations on either side of the mean result.

The results for each enterprise have been allocated to the 4 performance categories on the basis of either their gross margin per head or per hectare. Because of the importance of dairy farming in Northern Ireland, the dairy herd gross margins are classified on both basis. This will enable farmers who consider land to be their main limiting resource to assess their own results using the classification of herds by gross margin per hectare, while for those where this is not the case may use the per cow classification. The basis of classification used for each enterprise is given on each table. It should be noted that the comparisons will be most meaningful for farm accounts with year ending dates between January and June 2019.

DAIRY COWS (CLASSIFIED BY GROSS MARGIN PER COW) 2018/19

	Excellent	Good	Moderate	Poor	Average
% of survey farms	14	38	34	13	100
Average herd size	107	110	87	102	101
Enterprise Output					
			£ per cow		
Milk	2,484	2,287	1,860	1,464	2,080
Calves	136	110	92	86	105
Herd replacement	-148	-162	-167	-210	-168
Leasing receipts	-	-	-	-	-
TOTAL ENTERPRISE OUTPUT	2,472	2,234	1,786	1,339	2,018
Variable Costs					
Concentrates	764	758	571	530	673
Hay, silage, forage & grazing	208	204	213	141	199
Vet, medicines & sundries	177	170	161	128	163
Leasing costs	-	-	-	-	-
TOTAL VARIABLE COSTS	1,149	1,132	945	799	1,035
GROSS MARGIN					
- per cow	1,323	1,102	841	541	983
- per hectare	2,684	2,278	1,687	1,203	2,027
- per 1000 litres	154	139	129	103	135
Milk yield per cow (litres)	8,593	7,959	6,494	5,236	7,257
Milk price per litre (pence)	28.9	28.7	28.6	28.0	28.7
Concentrates per litre (kg)	0.38	0.38	0.34	0.39	0.37
Concentrates price per tonne (£)	223	247	248	247	243
Stocking rate (ce per ha)	2.04	2.08	2.03	2.25	2.08
Nitrogen per hectare (kg)	177	172	147	143	161

DAIRY COWS (CLASSIFIED BY GROSS MARGIN PER HECTARE) 2018/19

	Excellent	Good	Moderate	Poor	Average
% of survey farms	12	42	33	13	100
Average herd size	140	115	77	70	100
Enterprise Output					
			£ per cow		
Milk	2,403	2,234	1,787	1,497	2,082
Calves	115	110	93	102	106
Herd replacement	-151	-167	-167	-200	-167
Leasing receipts	-	-	-	-	-
TOTAL ENTERPRISE OUTPUT	2,367	2,177	1,713	1,400	2,020
Variable Costs					
Concentrates	777	719	563	528	672
Hay, silage, forage & grazing	212	215	182	143	199
Vet, medicines & sundries	162	178	154	113	163
Leasing costs	-	-	-	-	-
TOTAL VARIABLE COSTS	1,151	1,112	899	783	1,034
GROSS MARGIN					
- per cow	1,216	1,065	814	617	986
- per hectare	2,939	2,318	1,541	988	2,035
- per 1000 litres	144	138	130	116	136
Milk yield per cow (litres)	8,435	7,718	6,276	5,301	7,252
Milk price per litre (pence)	28.5	28.9	28.5	28.2	28.7
Concentrates per litre (kg)	0.39	0.37	0.35	0.38	0.37
Concentrates price per tonne (£)	229	243	252	257	243
Stocking rate (ce per ha)	2.42	2.18	1.89	1.60	2.06
Nitrogen per hectare (kg)	198	175	145	109	160

**DAIRY CALVES REARED AS REPLACEMENTS, 2018/19
(CLASSIFIED BY GROSS MARGIN PER HECTARE)**

	Excellent	Good	Moderate	Poor	Average
% of survey farms	14	21	52	12	100
Enterprise Output	£ per hectare				
	2,112	1,679	1,408	1,313	1,539
Variable Costs					
Concentrates	653	590	693	657	659
Hay, silage, forage & grazing	466	381	378	618	437
Vet and medicines	34	60	60	50	55
Sundries	73	82	95	169	104
TOTAL VARIABLE COSTS	1,226	1,113	1,226	1,493	1,254
GROSS MARGIN	886	566	182	-180	285
Concentrates per ce (kg)	1,038	917	1,007	949	981
Concentrates price per tonne (£)	221	250	233	238	236
Stocking rate (ce per ha)	2.15	1.98	2.09	2.27	2.11
Price per calf bought/transferred in (£)	130	148	123	91	122
Price per heifer sold/transferred out (£)	1,194	1,195	1,061	929	1,085
Mortality %	1.5	2.5	3.2	0.4	2.2

**SUCKLER COWS - SEVERELY DISADVANTAGED AREA, 2018/19
(CLASSIFIED BY GROSS MARGIN PER COW)**

	Excellent	Good	Moderate	Poor	Average
% of survey farms	13	35	42	10	100
Number of cows per farm	31	34	36	20	33
Enterprise Output			£ per cow		
Calves	626	513	442	411	488
Herd replacement	-10	-56	-55	-163	-56
TOTAL ENTERPRISE OUTPUT	617	457	388	249	432
Variable Costs					
Concentrates	54	44	71	87	60
Hay, silage, forage & grazing	112	120	163	202	144
Vet and medicines	36	38	46	34	41
Sundries	28	32	32	24	31
TOTAL VARIABLE COSTS	230	234	312	347	276
GROSS MARGIN	387	223	75	-98	156
GROSS MARGIN PER COW EQUIVALENT	363	213	73	-96	150
Calves reared per cow	1.04	0.93	0.88	0.82	0.91
Price per calf sold or transferred-out (£)	597	545	515	496	536
Mortality - birth to weaning (%)	0.4	2.1	1.9	4.9	1.9
Concentrates per cow (kg)	234	190	347	391	280
Concentrates price per tonne (£)	219	223	204	221	212

**SUCKLER COWS - DISADVANTAGED AREA, 2018/19
(CLASSIFIED BY GROSS MARGIN PER HECTARE)**

	Excellent	Good	Moderate	Poor	Average
% of survey farms	19	31	27	23	100
Number of cows per farm	51	46	33	40	42
Enterprise Output			£ per cow		
Calves	557	533	423	480	504
Herd replacement	-32	-64	-65	-121	-69
TOTAL ENTERPRISE OUTPUT	526	469	358	359	435
Variable Costs					
Concentrates	33	48	55	96	56
Hay, silage, forage & grazing	88	126	131	216	138
Vet and medicines	33	38	37	63	42
Sundries	25	39	38	36	35
TOTAL VARIABLE COSTS	179	251	261	411	272
GROSS MARGIN	346	219	97	-52	163
GROSS MARGIN PER COW EQUIVALENT	336	205	94	-49	155
Calves reared per cow	0.93	0.93	0.80	0.95	0.91
Price per calf sold or transferred-out (£)	585	583	546	542	566
Mortality - birth to weaning (%)	2.1	1.2	4.7	4.2	2.8
Concentrates per cow (kg)	168	232	265	380	256
Concentrates price per tonne (£)	196	205	203	227	210

**BREEDING EWES - SEVERELY DISADVANTAGED AREA
(CROSS BRED FLOCKS), 2018/19
(CLASSIFIED BY GROSS MARGIN PER EWE)**

	Excellent	Good	Moderate	Poor	Average
% of survey farms	23	31	33	13	100
Number of ewes per farm	156	228	227	225	211
Enterprise Output			£ per ewe		
Lambs	135	100	86	71	97
Wool	1	2	2	2	2
Flock replacement	0	0	-7	-5	-3
TOTAL ENTERPRISE OUTPUT	136	102	80	67	95
Variable Costs					
Concentrates	26	22	20	28	23
Hay, silage, forage & grazing	26	25	22	21	24
Vet, medicines and sundries	17	15	18	18	16
TOTAL VARIABLE COSTS	69	62	59	67	63
GROSS MARGIN	68	40	21	0	32
Price per lamb sold (£)	88	79	76	77	80
Lambing percentage	175	149	136	120	145
Lambs reared per 100 ewes	167	141	126	110	136
Wool per ewe (kg)	2.4	2.9	2.5	2.9	2.7
Wool per kg (p)	58	60	63	57	60
Concentrates per ewe (kg)	107	90	83	98	92
Concentrates price per tonne (£)	232	233	233	244	234
Mortality - ewes (%)	3.3	6.5	7.2	5.5	6.1
Mortality - lambs per 100 ewes	8.3	7.1	9.2	10.7	8.6

**BREEDING EWES - SEVERELY DISADVANTAGED AREA
(HARDY HILL BREEDS), 2018/19
(CLASSIFIED BY GROSS MARGIN PER EWE)**

	Excellent	Good	Moderate	Poor	Average
% of survey farms	15	45	20	20	100
Number of ewes per farm	170	309	318	181	264
Enterprise Output			£ per ewe		
Lambs	99	61	81	45	67
Wool	1	2	2	1	2
Flock replacement	6	6	-5	0	3
TOTAL ENTERPRISE OUTPUT	106	69	78	46	71
Variable Costs					
Concentrates	22	16	26	28	21
Hay, silage, forage & grazing	25	15	28	24	20
Vet, medicines and sundries	9	15	16	12	14
TOTAL VARIABLE COSTS	56	47	70	65	56
GROSS MARGIN	49	22	8	-19	16
Price per lamb sold (£)	79	71	80	77	75
Lambing percentage	147	116	136	90	120
Lambs reared per 100 ewes	140	110	130	77	113
Wool per ewe (kg)	2.4	2.7	2.9	2.5	2.7
Wool per kg (p)	58	60	55	53	58
Concentrates per ewe (kg)	88	62	115	98	82
Concentrates price per tonne (£)	244	228	223	255	232
Mortality - ewes (%)	4.5	6.6	4.3	6.6	5.9
Mortality - lambs per 100 ewes	6.8	5.2	6.1	12.6	6.6

**BREEDING EWES - DISADVANTAGED AREA, 2018/19
(CLASSIFIED BY GROSS MARGIN PER HECTARE)**

	Excellent	Good	Moderate	Poor	Average
% of survey farms	18	35	35	12	100
Number of ewes per farm	31	241	128	168	155
Enterprise Output			£ per ewe		
Lambs	123	119	106	68	109
Wool	2	3	2	2	2
Flock replacement	10	-14	-7	-6	-10
TOTAL ENTERPRISE OUTPUT	135	108	101	65	101
Variable Costs					
Concentrates	18	12	25	33	19
Hay, silage, forage & grazing	29	27	31	44	30
Vet, medicines and sundries	12	12	18	25	16
TOTAL VARIABLE COSTS	59	51	74	103	65
GROSS MARGIN	76	56	26	-38	36
Price per lamb sold (£)	88	82	81	69	81
Lambing percentage	163	145	150	123	144
Lambs reared per 100 ewes	153	139	143	116	137
Wool per ewe (kg)	3.0	4.1	2.5	3.2	3.5
Wool per kg (p)	74	75	63	60	71
Concentrates per ewe (kg)	74	45	97	82	66
Concentrates price per tonne (£)	242	226	238	288	242
Ewes per hectare	11.52	7.43	5.59	7.91	6.91
Stocking rate (ce per ha)	2.51	1.49	1.19	2.02	1.46
Mortality - ewes (%)	3.2	7.6	5.7	5.4	6.6
Mortality - lambs per 100 ewes	10.8	6.0	7.3	6.9	6.6

BREEDING EWES - NON LFA, 2018/19
(CLASSIFIED BY GROSS MARGIN PER HECTARE)

	Excellent	Good	Moderate	Poor	Average
% of survey farms	18	25	39	18	100
Number of ewes per farm	155	259	155	117	174
Enterprise Output			£ per ewe		
Lambs	149	101	92	88	104
Wool	2	1	2	3	2
Flock replacement	-2	4	9	-9	3
TOTAL ENTERPRISE OUTPUT	149	107	103	81	109
Variable Costs					
Concentrates	19	11	18	19	16
Hay, silage, forage & grazing	26	22	22	28	23
Vet, medicines and sundries	17	16	16	22	17
TOTAL VARIABLE COSTS	61	48	57	69	56
GROSS MARGIN	87	59	46	12	53
Price per lamb sold (£)	98	80	85	75	85
Lambing percentage	169	152	138	126	147
Lambs reared per 100 ewes	160	141	129	116	137
Wool per ewe (kg)	2.6	2.1	2.7	3.7	2.6
Wool per kg (p)	70	70	59	76	67
Concentrates per ewe (kg)	76	47	66	67	61
Concentrates price per tonne (£)	247	232	245	244	241
Ewes per hectare	9.97	9.94	7.56	5.46	8.23
Stocking rate (ce per ha)	1.82	1.60	1.56	1.20	1.54
Mortality - ewes (%)	3.6	4.1	5.3	11.3	5.3
Mortality - lambs per 100 ewes	8.9	11.2	8.7	10.2	9.8

PIGS - BIRTH TO BACON, 2018/19
(CLASSIFIED BY GROSS MARGIN PER FINISHED PIG)

	Above	Below	Average
% of survey farms	56	44	100
Number of pigs finished per farm	3,125	1,497	2,402
Number of sows per farm	124	79	104
		£ per pig	
ENTERPRISE OUTPUT	125.96	124.65	125.59
Variable Costs			
Feedingstuffs	76.17	94.22	81.17
Vet. and medicines	3.58	3.01	3.42
Sundries	4.85	4.38	4.72
TOTAL VARIABLE COSTS	84.60	101.61	89.31
GROSS MARGIN	41.36	23.05	36.28
Price of meal equivalent per tonne (£)	258	272	262
Meal equivalent per finished pig (kg)	295	347	309
Litters per sow per year	2.0	1.8	2.0
Live births per litter	14.4	11.6	13.5
Pigs weaned per litter	12.9	10.8	12.3
Pigs weaned per sow per year	26.3	19.8	24.1
Price of finished pig sold (£)	125.84	124.64	125.50
Mortality - suckers %	10.5	8.8	10.0
Mortality - weaners %	3.2	2.2	2.9

SPRING BARLEY (2018 CROP)

	Excellent	Good	Moderate	Poor	Average
% of survey farms	12	35	44	9	100
Hectares per farm	28.4	20.2	10.8	10.0	16.1
Enterprise Output					
	£ per hectare				
Grain	1,194	1,050	826	686	992
Straw	413	256	212	164	270
TOTAL ENTERPRISE OUTPUT	1,607	1,306	1,037	851	1,262
Variable Costs					
Seed	65	70	75	64	70
Fertilisers	47	102	129	108	99
Sprays	125	87	111	103	103
Sundries	19	36	21	59	29
TOTAL VARIABLE COSTS	255	296	336	334	302
GROSS MARGIN	1,352	1,011	701	516	960
Grain (tonnes per ha)	6.44	5.72	4.60	4.56	5.46
Straw (tonnes per ha)	3.15	2.38	2.18	2.67	2.49
Fertilisers used per hectare (kg)	238	385	483	404	385
Grain per tonne (£)	185	184	180	150	181
Straw per tonne (£)	131	108	97	62	108

WINTER BARLEY (2018 CROP)

	Above	Below	Average
% of survey farms	52	48	100
Hectares per farm	14.2	9.1	11.8
Enterprise Output		£ per hectare	
Grain	1,713	1,148	1,505
Straw	654	378	552
TOTAL ENTERPRISE OUTPUT	2,368	1,526	2,057
Variable Costs			
Seed	93	93	93
Fertilisers	161	145	155
Sprays	175	152	166
Sundries	21	4	15
TOTAL VARIABLE COSTS	450	394	429
GROSS MARGIN	1,918	1,132	1,628
Grain (tonnes per ha)	8.96	6.45	8.03
Straw (tonnes per ha)	5.16	3.33	4.49
Fertilisers used per hectare (kg)	663	602	641
Grain per tonne (£)	191	178	187
Straw per tonne (£)	127	113	123

WINTER WHEAT (2018 CROP)

	Above	Below	Average
% of survey farms	56	44	100
Hectares per farm	21.5	15.7	18.9
Enterprise Output		£ per hectare	
Grain	1,698	1,286	1,546
Straw	541	428	499
TOTAL ENTERPRISE OUTPUT	2,238	1,713	2,044
Variable Costs			
Seed	93	89	91
Fertilisers	167	175	170
Sprays	240	176	216
Sundries	25	3	16
TOTAL VARIABLE COSTS	525	443	494
GROSS MARGIN	1,714	1,271	1,550
Grain (tonnes per ha)	9.28	7.42	8.59
Straw (tonnes per ha)	4.08	3.27	3.78
Fertilisers used per hectare (kg)	764	687	736
Grain per tonne (£)	183	173	180
Straw per tonne (£)	132	131	132

WARE POTATOES (2018 CROP)

	Above	Below	Average
% of survey farms	50	50	100
Hectares per farm	7.9	4.5	6.2
Enterprise Output		£ per hectare	
Current Crop	10,215	3,582	7,826
Variable Costs			
Seed	745	328	595
Fertilisers	360	368	363
Sprays	342	241	305
Contract/Casual Wages	845	51	559
Sundries	242	113	196
TOTAL VARIABLE COSTS	2,534	1,101	2,018
GROSS MARGIN	7,682	2,480	5,808
Yield of ware per hectare (tonnes)	32	13	25
Seed used per hectare (tonnes)	2.76	2.24	2.58
Fertiliser used per hectare (kg)	1,218	1,060	1,161
Price per tonne sold (£)	289	238	280

DEFINITIONS OF TERMS USED

A4.1 Farm Business Size

Farm business size is determined by calculating each farm's total Standard Labour Requirement (SLR). Standards or norms have been calculated for all major enterprises (see section A4.4). The total SLR for each farm is calculated by multiplying its crop areas and livestock numbers by the appropriate SLR and then summing the result for all enterprises on the farm.

In UK agricultural statistics from 2003/04 onwards, business size is described in terms of four SLR size bands. These are:-

Term	SLR*
Part-time	≥ 0.5 <1
Small	≥ 1 to <2
Medium	≥ 2 to <3
Large	≥ 3 to <5
Very large	≥ 5

*1 Standard Labour Requirement = 1900 hours

Since there are very few farms in the Very Large size range in Northern Ireland, these are included in the Large category for the purposes Farm Business Survey analyses.

A4.2 Farm Business Type¹

The system of classifying farms according to the type of farming found on a holding is set out in Commission Regulation (EC) 1242/2008 and explained in greater detail in the EU Farm Accountancy Data Network (FADN) Typology Handbook RI/CC 1500 rev.3.

Depending on the amount of detail required, farms can be classified into 1 of 62 types. Individual farms are allocated to a type category on the basis of the aggregate value of farm outputs. As it is not feasible to estimate the value of outputs on a farm-by-farm basis, Standard Outputs (SOs) are calculated as reference values for a variety of farm products. The SO of a specific product (crop or livestock) is the average monetary value (per ha or head) of agricultural output based on regional farm-gate prices over a 5 year period. The SO excludes direct payments and no costs are deducted. Once the numbers of livestock and hectares of crop for an individual farm have been multiplied by the relevant SOs, it is allocated to a type category depending on where most of the total SO comes from. To ensure a stable framework for comparison and analysis SO values, once calculated, are held constant for a number of years. The SO values in use at the moment cover the five year period centred on 2013 and can be found below in section A4.5.

¹ The EU typology in operation between 1985 and 2010 classified farms based on the distribution of Standard Gross Margin (SGM) between enterprises. The impact of the change from SGM to SO can be seen in section 6 of Farm Incomes in Northern Ireland 2010/11.

For UK statistical purposes, the 62 farm types (not all of which are found in Northern Ireland) are grouped into 10 'robust' categories which have particular relevance to UK conditions. These are:

- Cereals** Farms on which cereals and combinable crops account for more than two-thirds of the total SO.
- General cropping** Farms which do not qualify as cereals farms but have more than two-thirds of the total SO in arable, including field scale vegetable, crops or in a mixture of arable and horticultural crops where arable crops account for more than one-third of the total SO and no other grouping accounts for more than one-third.
- Horticulture** Farms with more than two-thirds of the total SO in horticultural crops (including specialist mushroom growers).
- Specialist pigs** Farms of which pigs account for more than two-thirds of total SO.
- Specialist poultry** Farms on which poultry account for more than two-thirds of total SO.
- Dairy** Farms on which dairy cows account for more than two-thirds of the total SO.
- Cattle & Sheep (LFA)** Farms wholly or mainly in the Less Favoured Area which do not qualify as Dairy farms but have more than two-thirds of the total SO in grazing livestock (cattle and sheep).
- Cattle & Sheep (Lowland)** Farms wholly or mainly outside the Less Favoured Area which do not qualify as Dairy farms but have more than two-thirds of the total SO in grazing livestock (cattle and sheep).
- Mixed** Farms that have no dominant enterprise and do not fit into the above categories.
- Other types** Farms that specialise in enterprises which do not fit the definitions of mainstream agricultural activities. For the most part this category is made up of specialist horse farms plus other farms that are unclassified.

A4.3 Other Terms

Weighted sample averages are calculated for each type of farm by weighting the sample data within each size group according to the distribution of farm businesses by size in the June 2018 Agricultural Census. Data, where given, for individual size groups within farm types are simple sample averages.

Standard Output (SO) for a specific enterprise (crop or livestock) is the average monetary value (per ha or head) of its output. It is based on regional farm-gate prices over a 5 year period. The SO excludes direct payments and no costs are deducted.

Standard Gross Margin (SGM) for a specific enterprise (crop or livestock) is the average monetary value (per ha or head) of its output *minus* associated variable costs. It is based on regional farm-gate prices and costs over a 3 year period. The SGM excludes direct payments and only variable costs are deducted.

Standard Labour Requirement (SLR) for a specific enterprise (crop or livestock) is its annual labour requirement (per ha or head) under typical conditions.

Breeding Livestock Stock Appreciation (BLSA) is that part of the change between the opening and closing valuations of breeding animals due to changes in value.

Enterprise output of a crop is the sum of: crop sales, market value of crop unsold, fed to livestock, used for seed, consumed in the farmhouse and by farm workers, and subsidies received. **Area based subsidy payments are not included in enterprise output of a crop.**

Enterprise output of a livestock enterprise is the total of livestock and product sales; transfers to other enterprises; produce consumed in the farmhouse and by farm workers; compensation payments and net leasing receipts/payments; and closing valuation *minus* purchases of livestock, transfers-in of livestock from other enterprises and opening valuation of livestock. **Area based subsidy payments are not included in livestock enterprise output.**

Direct Subsidy receipts includes: Single Payment (Single Farm Payment prior to 2015/16 year and Basic, Greening and Young Farmers' Payment after), Areas of Natural Constraint, Agri-environmental payments and other miscellaneous subsidies.

Miscellaneous receipts include hire work, adjustments for the difference between the opening valuation of any stocks of previous crops and their ultimate disposal value.

Feedingstuffs: Expenditure on feed and feed additives including the value of milk transferred from the dairy herd and fed to livestock; adjustments for changes in stock; market value of home-grown cereals fed.

Seeds: Expenditure on seed; adjustments for changes in stock; market value of home-grown seeds used including potatoes.

Labour: Salaries; wages; employers' insurance contributions; unpaid family labour imputed at the appropriate rate for comparable paid labour. No charge is made for farmer and spouse labour.

Fertilisers: Expenditure on fertilisers and lime.

Machinery and Power: Expenditure on vehicle fuel and oil; repairs; contract work; small tools.

Miscellaneous: Veterinary charges; AI fees; twine; sprays for crop protection; electricity; insurance; vehicle taxation; water rates; other general farming costs.

Land and Building Costs: Imputed rental value of own land farmed; conacre and other paid rents; farm rates (at one-third); minor building repair costs.

Depreciation: Depreciation costs for machinery calculated on a diminishing balance basis, whereas depreciation costs for buildings, fixed equipment and land improvements calculated on a linear basis.

Variable costs are those costs which can both be readily allocated to a specific enterprise and will vary in approximately direct proportion to changes in the scale of that enterprise. They include fertilisers, sprays, seed, concentrate feedingstuffs and veterinary costs.

Fixed costs are those costs which do not vary with small changes in the scale of individual enterprises or cannot be readily allocated to individual enterprises. Examples are regular labour, machinery costs, rent and rates, and general overhead expenses.

Gross Margin of an enterprise is its enterprise output less its variable costs. For a livestock enterprise the variable costs include the allocated variable costs of grass and other forage crops.

Farm Business Income is the return to all unpaid labour (farmer, spouses and others with an entrepreneurial interest in the farm business) and to their capital invested in the farm business which includes land and buildings.

Net Farm Income is the total gross margin less fixed costs including notional labour costs and a notional rent but excluding interest paid and ownership expenses. It represents the reward to the farmer and spouse for their manual labour and management and their return on tenant-type capital invested in the farm.

Occupier's expenses: Farm rates and fire insurance premia.

Occupier's Net Income is net farm income plus imputed rent less depreciation of buildings and improvements and land ownership expenses and interest payments. It represents the return to the farmer and spouse for their manual and managerial labour and investment in the farm business.

Cash income is receipts less expenditure.

Total assets comprise fixed assets and current assets. Fixed assets consist of land, buildings, quotas, machinery, equipment and breeding livestock. Current assets comprise trading livestock, harvested and growing crops, stocks of livestock products and stocks of inputs, cash and sundry debtors.

Valuations

Land, buildings, improvements, fixed equipment and quotas are valued at conservative market prices.

Plant, machinery, vehicles, glasshouses and permanent crops are valued on a current replacement cost basis.

Breeding livestock and trading livestock are valued on an estimated conservative market value basis less the cost of marketing.

Stocks of livestock products, purchased feed, seeds, fertilisers and other miscellaneous items are valued at estimated cost.

Tenant's capital / Operating Capital includes investment in machinery, livestock and crops, stocks, work in progress, cash and other assets (excluding land and buildings) needed to run the business. It is calculated by averaging the opening and closing valuations of these items.

Liabilities are claims on the assets of the business by the suppliers of funds to it. They comprise long and medium-term loans, which are not usually liable to recall within 12 months, and short-term loans, such as bank overdrafts, hire purchase and leasing debt which may have to be repaid within the next 12 months.

Net Worth / Owner's equity represents the interest of the owner in the business. It is the balance sheet value of assets available to the owner of the business after all other claims against the assets have been met.

A4.4 Standard Labour Requirements

The following factors have been used to classify farms into size categories

	Item	Unit	Standard Labour Requirement (hours)	Units per 1900 hours
Crops	Cereals	ha	30	63
	Oilseeds	ha	22.5	84
	Potatoes	ha	135	14
	Outdoor vegetables	ha	150	12.7
	Fruit	ha	450	4.2
	Ornamentals	ha	1,500	1.3
	Glasshouse vegetables	ha	5,000	0.4
	Other glasshouse	ha	25,000	0.1
	Mushrooms	house	1,050	1.8
	Setaside	ha	1.5	1,267
	Forage crops	ha	9	211
	Grass	ha	6	317
	Rough grazing	ha	2.25	844
	Cattle	Dairy cows	head	39
Beef cows		head	12	158
Other cattle		head	9	211
Sheep	Ewes and rams: Lowland	head	5.2	365
	Ewes and rams: LFA	head	4.2	452
	Other sheep: Lowland	head	3.3	576
	Other sheep: LFA	head	2.6	730
Pigs	Sows and gilts	head	16	119
	Piglets	head	1.0	1,900
	Other pigs	head	1.3	1,462
Poultry	Laying hens	head	0.17	11,176
	Pullets	head	0.12	15,833
	Broilers	head	0.04	47,500
	Turkeys, Ducks etc.	head	0.045	42,222
Other	Horses	head	150	12
	Goats	head	20	95
	Deer	head	15	127

A4.5 Standard Outputs

		€	
Crops	Wheat	1,801	per ha
	Barley	1,332	per ha
	Oats	1,081	per ha
	Mixed corn	966	per ha
	Potatoes	6,276	per ha
	Oilseed rape	1,412	per ha
	Linseed	755	per ha
	Open-air horticulture		
	Vegetables	4,160	per ha
	Fruit	9,929	per ha
	Flowers/nursery	41,479	per ha
	Glasshouses:		
	Vegetables	159,801	per ha
	Flowers	364,658	per ha
	Mushrooms	50,932	per 100 m ²
	Forage Maize	567	per ha
	Other fodder crops	281	per ha
Other crops	780	per ha	
Grassland	260	per ha	
Cattle	Dairy cows	2,589	per head
	Beef cows	511	per head
	Heifers 2 yrs +	426	per head
	Heifers 1-2 yrs	477	per head
	Bulls/steers 2 yrs +	569	per head
	Bulls/steers 1-2 yrs	584	per head
	Calves under 1 year	545	per head
Sheep	Ewes	109	per head
	Other sheep	24	per head
	Lambs	0	per head (included with ewe)
Horses	Mares, stallions	371	per head
	Others	0	per head
Pigs	Sows	934	per head
	Piglets (under 20kg)	107	per head
	Other pigs	241	per head
Poultry	Hens	2,222	per 100
	Broilers	1,032	per 100
	Others	4,217	per 100

Notes:

1. These SOs are applied to the average crop areas and livestock numbers of the farm.
2. These SOs refer cover a five year period (2011-2015) centred on 2013.
3. At the time of calculation, 1 euro = £0.80

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ISBN: 978-1-84807-963-2



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