

ORGANIC FARM INCOMES IN ENGLAND AND WALES 2006/07

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July 2008

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**Institute of Biological, Environmental
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Summary

In the report, we present results of research on the financial performance of organic farms in 2006/07 carried out for the Department for Environment, Food and Rural Affairs (Defra). The main aim of this work is to assess the financial performance of organic farms differentiated by farm type, in order to inform Defra policy-making with respect to economics of organic farming, and to provide a basis for assessments by farmers, advisers and other interested parties of the farm-level implications of conversion to and continued organic farming. This research builds on previous work on the economics of organic farming carried out at Aberystwyth University (Projects OF0190, covering 1995/96 to 1998/99 and OF0189, covering 1999/00 to 2004/05)¹.

In this report, financial data are shown for the 2005/06 and 2006/07 financial years, including between year comparisons and comparisons with similar conventional farms. For this report only, it has not been possible to produce identical samples for all farm types due to the change in data collection approach between 2005/06 and 2006/07. Identical sample comparisons have only been possible for lowland dairy and lowland and LFA cattle and sheep systems. The identical farm samples comprise farms that are present in both the 2005/06 and 2006/07 datasets. The total number of organic farms for 2006/07, also referred to as the full farm sample data, is shown alongside the identical datasets. In the other cases, data for the full samples in 2005/06 and 2006/07 are presented, but comparisons should be treated with caution due to changes in sample composition.

Summarised and detailed financial input, output, income, returns to labour and capital, liabilities and assets and some physical performance measures are presented based on current Farm Business Survey (FBS) data collection and collation guidelines². The full samples of organic farms per robust farm type are sufficiently large to give some reasonable level of confidence in the data although it should be noted that the organic farm samples are not statistically representative of their type. However, the results can be seen as a reasonable indication of farm income levels for comparable organic and conventional farms. Smaller farm samples should be treated more cautiously as there is a possibility for outliers (especially larger farms) to have a significant influence on the average results.

An additional element of this work is the inclusion of comparable conventional farm data (obtained from the main FBS sample) for the farm types shown. Each organic farm within this study was matched with an appropriate cluster of conventional farms based on the resource endowment indicators for individual organic farms. The indicators included farm type, FBS region, Less Favoured Area (LFA) status, utilisable agricultural area (UAA), milk quota held (where applicable) and farm business size. The cluster farm data were averaged for each farm type to derive the comparable conventional farm (CCF) data based on the organic farms from the identical and full farm samples.

The identical samples of organic farms showed a much higher level of net farm incomes for lowland dairy and lowland cattle and sheep in 2006/07 than in 2005/06, with LFA cattle and sheep showing a small decrease over the period. Overall, organic net farm incomes exceeded conventional in all sectors, with most sectors showing an organic NFI twice that of the comparative conventional NFI. Increased organic prices and only small cost increases have led to substantial increases in organic NFI, especially in the livestock sectors.

¹ Previous reports can be found at: http://statistics.Defra.gov.uk/esg/index/list.asp?i_id=130

² See <http://statistics.Defra.gov.uk/esg/publications/fab/2007/excel.asp> for further information on the farm accounting system employed in England and Wales by Defra Economics Division.

This report includes for the first time the new Farm Business Income measure adopted recently by Defra and the Welsh Assembly Government. This income measure is intended to reflect more closely actual profitability of farm businesses and does not include the adjustments designed to make farms comparable in terms of land tenure, reliance on borrowed capital and reliance on unpaid staff which Net Farm Income and Management and Investment Income were intended to do. As a result of the exclusion of notional costs for unpaid resources, Farm Business Income values are typically higher than Net Farm Incomes, but the relative performance of organic and conventional farms is similar in most cases.

Gross and net margin data are included for selected organic livestock and crop enterprises. Margins for organic dairy herds are presented on a herd size and top performing herds as well as regional basis. Cattle and sheep gross margins are shown for lowland and LFA farm types. For arable crops, costs of production per tonne are also shown. Crops covered include winter and spring wheat, spring barley, triticale, spring oats, and beans for stockfeed. Where available, 2005/06 gross margin data are shown alongside the 2006/07 data. Currently, no comparisons with conventional farm data are included.

Benchmark costs of production data are shown for organic milk, suckler store, finishing beef and lamb production enterprises. Due to the change in data collection approach, only costs of production for milk have been derived from the full sample. Instead costs of production for milk, beef and lamb from the Welsh Farm Business Survey are presented, including comparisons with results from conventional farms in Wales. The results for the beef and lamb enterprises continue to show the importance of support payments in making these enterprises viable for both organic and conventional producers.

1. Introduction

This report, funded by Defra as part of Project OF0373, continues the series of reports on organic farm incomes started with the 1995/96-1998/99 period under MAFF project OF0190 and continued from 1999/00-2004/05 under Defra Project OF0189³.

The aim of this report is to show the financial performance of organic farms, differentiated by farm type, for 2006/07 including comparisons with similar conventional farms and with 2005/06 data, in order to:

- inform Defra policy-making with respect to organic farming, and
- provide a basis for assessments by farmers, advisers and other interested parties of the farm-level implications of conversion to and continued organic farming.

The project's specific objectives include:

- collection of farm accountancy data from 70 organic farms in England and 10 in Wales in the 2006/07 and 2007/08 financial years using a new approach which is fully integrated with the English and Welsh Farm Business Surveys. (This replaces the previous direct collection of data across England by Aberystwyth University and has enabled an increase in the number of farmers included as well as better regional and farm type representation).
- analysis of the data collected in combination with data for 100 businesses already available from the main Farm Business Surveys to produce an annual report on organic farming costs, incomes and margins.

This report includes a section on methodology, which shows the data sourcing and sampling techniques used to obtain a representative organic farm sample, as well as an explanation of the clustering procedure used to select comparable conventional farms (CCF) to match the organic farms. The financial results are presented with an explanation of the results and brief highlights, followed by summary data for each farm type. Detailed gross and net margins are included for livestock and cropping enterprises, as are benchmark costs of production per kg or tonne for arable, milk, beef and lamb. The detailed whole-farm results can be found in Appendix 1.

³ Previous reports can be found at: http://statistics.Defra.gov.uk/esg/index/list.asp?i_id=130

2. Methods

In contrast to previous years⁴, the 2006/07 data have all been collected as part of the English and Welsh Farm Business Surveys by the constituent Rural Business Research Units in England and by the Welsh Farm Business Survey Unit at Aberystwyth University.

The sample of ca. 100 wholly or partly organic businesses occurring by chance within the English and Welsh Farm Business Surveys was extended by 80 businesses to better reflect the regional and farm type distribution of organic farms in England and Wales 2005/06 (see recruitment guidelines in Annex 4), and to enable minimum sample sizes of 15 to be achieved for key robust farm types and 6 for specific main types.

Standard Farm Business Survey methodology⁵ was used. Financial results have been obtained from businesses in England and Wales with account years ending between December and April.

The data for all the organic and non-organic farms surveyed was collated by Defra, stored in the Defra Data Archive and made available to the Aberystwyth University team for analysis.

The analysis is focused on businesses with more than 16 European Size Units (ESU) (see below) and having at least 70% organic land status in 2006/07. Of the total 180 businesses with some organic land identified in the Defra Data Archive, 24 were not analysed due to a technical problem which will be addressed in the 2007/08 report so that the full set of data collected will eventually be utilised. Of the remaining 156 businesses, only 133 met the >70% organic criterion (Table 1). (In 2005/6, only 64 of the 101 businesses in the main FBS sample met this criterion, which indicates that the majority of new businesses recruited did meet the criterion as planned.) Of the 133 >70% organic holdings, 3 specialist poultry holdings were excluded as there were too few of this type to present group results, and for 17 it was not possible to identify comparable conventional businesses (this was also the case for the 8 horticultural businesses but their results have been presented without comparative data). However, the gross margin results from 16 of the 17 businesses could be utilised. Of the remaining 113 businesses whose whole farm data could be used, six came in below the 16 ESU limit (Table 2), but have been retained in this analysis.

All farms were classified by constituent EC type (1985 EC Typology described in Commission Decision 85/377/EEC) and for the purposes of this report are presented in groups by robust type according to the UK farm classification system (revised 1994)⁵. (See Appendix 2 for more information). The constituent EC types are determined using standard gross margins (SGMs) for conventional farms to estimate European Size Units (ESUs). This classification system may not appropriately reflect the enterprise profile of organic farms due to differences in gross margin values, but there is currently no alternative classification system available that reflects organic gross margins better and it is considered that the resulting classification errors are likely to be small. The distribution of the businesses by size (ESU) and type is shown in Table 2.

To ensure anonymity of results for farmers participating in these surveys, no data are presented for groups of less than five farms. However, it should be noted that individual farm results can still have a significant effect on average results for these small samples, so that where possible, results are presented for groups of more than 15 businesses. In some cases, robust types (e.g. types 1 (specialist cereals) and 2 (general cropping)) have been merged to achieve this. Where results are presented for groups of less than 15, the results should be treated with caution.

⁴ Details of the approach adopted in previous years can be found in the relevant reports published at: https://statistics.defra.gov.uk/esg/index/list.asp?i_id=130

⁵ See <http://statistics.Defra.gov.uk/esg/publications/fab/2007/excel.asp> for further information on the farm accounting system employed in England and Wales by Defra Economics Division.

Table 1 Distribution of surveyed organic farms by type and region, 2006/07

<i>Farm Type</i>	<i>Whole farm</i>	<i>GM* only</i>	<i>North East</i>	<i>North West</i>	<i>Yorks/Humb</i>	<i>East Midl</i>	<i>West Midl</i>	<i>East Engl</i>	<i>South Engl</i>	<i>South West</i>	<i>Wales</i>
Cropping	15	2	1 (0)	0 (0)	3 (0)	2 (3)	0 (1)	5 (4)	1 (2)	3 (1)	0 (1)
Horticulture	8		0 (0)	0 (0)	0 (0)	1 (0)	0 (0)	4 (0)	2 (3)	1 (0)	0 (0)
Dairy (lowland)	23	3	0 (0)	2 (1)	1 (1)	2 (0)	5 (0)	0 (0)	2 (1)	6 (0)	5 (2)
Dairy (LFA)	6	1	0 (0)	3 (0)	0 (1)	0 (1)	1 (0)	0 (0)	0 (0)	0 (0)	2 (1)
Cattle/sheep (lowland)	23		1 (0)	0 (0)	0 (0)	3 (0)	1 (1)	1 (1)	4 (0)	6 (0)	7 (0)
Cattle/sheep (LFA)	29	3	4 (0)	3 (4)	1 (0)	1 (0)	0 (0)	0 (0)	0 (0)	0 (0)	20 (1)
Mixed	9	7	0 (2)	1 (0)	0 (0)	3 (0)	2 (0)	0 (1)	0 (2)	1 (5)	2 (0)
Total	113	16	6 (2)	9 (5)	5 (2)	12(4)	9 (2)	10(6)	9 (8)	17 (6)	36 (5)

* GM - Farms used for gross margin data purposes only as no comparable whole-farm data available.

See Appendix 4 for distribution of organic farm population in 2005/06 and recruitment targets

Figures in parentheses indicate mixed status and in-conversion businesses not meeting >70% organic criterion.

Table 2 Distribution of surveyed organic farms by type and size (European Size Units) for the identical and full farm samples, 2006/07

Identical sample	8	16	28	40	60	100			
<i>ESU code</i>	< 8	< 16	< 28	< 40	< 60	< 100	< 200	200 +	Total
<i>Farm type</i>									
Cereals and general cropping									
Horticulture									
Pigs and poultry									
Dairy (lowland)			1	1		1	6	1	10
Dairy (LFA)									
Cattle and sheep									
- LFA			6	5	3	2			16
- lowland		2	4	1	1				8
Mixed									
Total		2	11	7	4	3	6	1	34
Full sample									
<i>Farm type</i>									
Cereals and general cropping				2	5	3	5		15
Horticulture				2	3	1	1	1	8
Pigs and poultry									
Dairy (lowland)				1	2	3	11	6	23
Dairy (LFA)				2		2	2		6
Cattle and sheep									
- LFA			9	12	5	3			29
- lowland		6	9	6	1	1			23
Mixed			3	2	1	2	1		9
Total		6	21	27	17	15	20	7	113

To achieve comparability between years in the whole-farm datasets, the data samples are normally presented as a continuous (identical) sample for each farm type. It has not been possible to achieve this in all cases in this report due to the change in the data collection approaches implemented between 2005/06⁶ and 2006/07, which resulted in a large number of businesses not being present in both samples. Where comparisons between the full-sample results for 2005/06 are shown, they should be treated with caution because changes in sample composition can have a bigger impact than between-year trends. It is expected that the presentation of identical samples can be restored for all types in the 2007/08 report.

For the whole-farm results presented in Section 3 and in Appendix 1, data for comparable conventional businesses has been obtained using a clustering procedure to identify a group of similar conventional businesses for each individual organic business. The average for the group of individual organic businesses is then compared with the average for the group of conventional farm clusters. The intention is to ensure, as far as possible, that differences between organic and conventional farms can be attributed to their management system and not to differences in business resource endowment that are not related to the production system employed. The method used is described in detail in Appendix 5.

It should be noted that in the case of the comparable conventional farm clusters, the 2005/06 clusters have been adjusted to remove farms not present in 2006/07, so that the clusters are also identical between years. The full sample comparisons represent the full set of organic data available for 2005/06 with the newly derived comparable conventional farm clusters based on 2006/07 availability, so that there may be some differences in the conventional results compared with previous reports.

Comparable conventional farm data at gross and net margin level have not been included in this or previous reports, but will be included in the 2007/08 report.

As a result of the changes to data collection approaches, it has not been possible to collect the livestock sales weight data needed to prepare cost of production data across England and Wales. It has been possible to do this as part of a separate project in Wales; these data for Welsh farm businesses only (including conventional farm comparisons) are included in this report, but may not reflect more intensive lowland conditions prevailing in much of England.

⁶ Details of the approach adopted in previous years can be found in the relevant reports published at: https://statistics.defra.gov.uk/esg/index/list.asp?i_id=130

3. Whole-farm results

3.1 Presentation of results

All whole-farm results for each farm type in this section and the appendices are simple averages.

In the summary sections on each farm type, the tables show breakdowns of average outputs, inputs and incomes in £/ha; for cropping, horticulture (intensive horticulture), lowland and LFA dairy, and LFA and lowland cattle and sheep and mixed farms for identical (where available) and full samples. The terms *input* and *output* are used to define financial values rather than physical quantities (for further definitions of terms see Appendix 3).

Tables A1 to A7 in Appendix 1 provide details of whole-farm outputs, inputs, incomes, returns to labour and capital, asset and liability information, land utilisation and crop performance, and stocking and livestock performance for the seven robust farm types. Other physical information available, in addition to the financial data collected, includes figures for livestock units per forage hectare, and labour units per farm. Where direct labour data were not available, labour units have been derived from wages paid using standard agricultural wages (based on Agricultural Wages Board). All labour-use figures presented are, however, based on estimated hours and should be treated with caution.

Values per hectare shown are weighted averages per hectare of farm utilised agricultural area (UAA) rather than per hectare of a specific enterprises because presenting the whole-farm situation reflects the interdependence of enterprises. For example, organic horticultural businesses cannot crop their entire land each year and this has a considerable influence on the overall farm profitability. However, gross margin data are shown separately to provide an indication of individual enterprise performance.

In line with recent changes to Farm Business Survey practice, two main income measures are shown: Net Farm Income and Farm Business Income. Other previously used income measures (management and investment income, occupiers' net income and cash income) are no longer shown) though they can be derived from the results presented if required.

Net Farm Income (NFI) represents the return to farmer and spouse for their manual and managerial labour and on the tenant-type capital invested in the farm. For this measure, all farms are effectively treated as tenanted and a rental value is imputed as an expense for owner-occupied land. The cost of permanent improvements to farms, together with any capital grants relating to such work, are excluded, although such landlord-type improvements will be reflected in higher rent or rental value charges. Debt servicing charges incurred by farmers on farm borrowing or the leasing of equipment are also excluded. Unpaid labour (other than that of farmer and spouse) is treated as if paid at standard rates.

Farm Business Income (FBI) represents the return to all unpaid labour (farmers, spouses and others with an entrepreneurial interest in the farm business) and to all their capital invested in the farm business including land and farm buildings. FBI excludes the notional rental values for owner-occupied land and values for unpaid labour that are included in NFI, and includes interest and other capital charges as well as the profits (or losses) on semi-integrated non-agricultural activities. This is designed to better reflect overall business performance including the increasing levels of business diversification currently found on farms.

For further definitions of terms see Appendix 3.

3.2 Summary of whole-farm net farm income results

This section summarises the key differences in net farm incomes (Table 3) for the *identical* and *full samples* of organic and similar conventional farms on a per ha basis between 2005/06 and 2006/07. As explained above, cropping, horticulture, LFA dairy and mixed farms are only compared on a full sample basis and any interpretation between years should be made with caution, due to possible changes in farm sample composition.

Overall, organic farms achieved higher (in some cases substantially) net farm incomes than conventional for all farm types in 2006/07.

Cropping and horticulture farms

Net farm income (NFI) for the organic cropping farms sample in 2006/07 was 22% lower at £271/ha, but still substantially higher than the £151/ha achieved by the conventional sample. Cropping output was lower in both sectors, despite a 45% increase in the organic wheat price, reflecting a lower cropped area percentage within the samples. Livestock and agri-environment payments continued to represent a higher percentage of output within the organic sample.

Organic horticultural businesses achieved a NFI of £1135/ha in 2006/07, 58% lower than the 2005/06 sample, due to substantially less area under horticultural crops. Outputs were 62% lower and inputs similarly, highlighting the variation in businesses between sample years. No conventional farm comparisons were available for these samples.

Dairy farms

The full LFA dairy farm organic sample NFI in 2006/07 at £345/ha was 82% higher than for the 2005/06 sample, and 60% lower at £62/ha for the comparable conventional farms. Output was 25% higher for the organic farms and only 4% higher for the conventional farms, with organic farms outperforming conventional both in price and volume, averaging 25.5 pence per litre (ppl), compared to 16.5ppl for conventional. Inputs were 16% higher on organic and 12% on conventional farms than in 2005/06.

NFI for the identical lowland dairy organic farms increased by 75% in 2006/07 to £589/ha, and decreased by 42% to £179/ha for the comparable conventional farms. The organic full sample had a significantly higher NFI than the conventional farms at £440/ha. Outputs were 16% higher on the identical sample organic businesses, reflecting higher milk prices, and down by 2% for conventional farms. Inputs increased by 4% for organic and by 5% for conventional farms.

Cattle and sheep farms

Organic lowland cattle and sheep farm NFI increased nearly fourfold to £212/ha in 2006/07, while remaining similar for the conventional farm sample at £125/ha. The full sample of organic farms achieved a NFI of £97/ha, which compares with conventional farms at £63/ha. Outputs rose by 30% while inputs increased by 4% on the organic farms, while both outputs and inputs remained similar on the conventional farms.

NFI on LFA cattle and sheep farms fell by 9% to £174/ha in 2006/07 for the identical sample of organic farms, and decreased by 27% to £93/ha on the conventional farms. Outputs and inputs remained similar for both organic and conventional samples, with a 7% increase in costs for conventional. Full sample analysis showed organic NFI (£130/ha) to be double that of the conventional sample (£63/ha).

Mixed farms

The full sample of farms achieved a NFI of £205/ha and £154/ha for organic and conventional farms respectively. Compared with 2005/06, outputs rose by 8% and inputs remained similar on the organic farms in 2006/07, while outputs increased by 14% and inputs by 2% on the conventional farms.

Table 3 Summary of Net Farm Incomes (£/farm and £/ha) by farm type, 2005/06 and 2006/07

Farm type	Number of farms	Net Farm Income excluding BLSA results for data samples				Number of farms	Full sample		Number of farms	Full sample	
		Identical sample		Full sample			2005/06			2006/07	
		2005/06	2006/07			2005/06	2006/07		2005/06	2006/07	
		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha		£/farm	£/ha	
Cropping											
Organic	-	-	-	-	-	14	63454	347	15	45344	271
Comparable conventional	-	-	-	-	-	111	22951	138	100	23089	151
Horticulture											
Organic	-	-	-	-	-	8	89060	2711	8	25681	1135
Comparable conventional	-	-	-	-	-	-	-	-	-	-	-
LFA dairy											
Organic	-	-	-	-	-	5	19605	190	6	31166	345
Comparable conventional	-	-	-	-	-	25	15621	157	23	5141	62
Lowland dairy											
Organic	10	32844	336	59200	589	19	32298	263	23	56994	440
Comparable conventional	61	27344	310	15802	179	118	28020	249	133	26063	206
Lowland cattle and sheep											
Organic	8	5475	55	19340	212	17	5672	63	23	8931	97
Comparable conventional	61	11979	118	12858	125	185	7793	83	204	5692	63
LFA cattle and sheep											
Organic	16	24035	191	22045	174	25	17326	138	29	18777	130
Comparable conventional	84	16122	127	11937	93	135	13021	108	158	8229	63
Mixed											
Organic	-	-	-	-	-	10	15172	136	9	24853	205
Comparable conventional	-	-	-	-	-	62	5347	49	51	18076	154

BLSA = Breeding livestock appreciation (see Appendix 3)

3.3 Cropping farms

For detailed results see Appendix 1, Table A1, page 44.

There were insufficient data to allow identical samples to be analysed so all observations must be taken with caution, due to sample variation between years.

The full sample of organic farms was slightly larger than conventional in terms of utilised land area (UAA), but similar for business size (ESU). A significantly higher proportion of the organic UAA was used for peas/beans and grassland, reflecting in part the need for fertility building in organic rotations.

The number of livestock units (LU) was 90% higher for the 2006/07 sample of organic farms than in 2005/06, although overall stocking rates were still low on both organic and conventional farms at 0.3 and 0.2 LU per farm ha, respectively. Agri-environment payments had increased on both types of farms, but remained significantly higher within the organic sample.

Table 4 Summary data for cropping farms (£/ha), 2005/06 and 2006/07

Financial Year Data	<i>Full sample</i>			
	2005/06		2006/07	
	Or	Conv.	Or	Conv.
Sample number	~ 14	111	~ 15	100
Average farm size (UAA)	182.7	166.6	167.6	153.2
Business Size (ESU)	153.4	139.8	90.0	91.3
	£/ha	£/ha	£/ha	£/ha
Livestock outputs	159	67	183	75
Cropping outputs	904	791	533	511
Protein/energy support	1	0	1	1
Miscellaneous	168	162	183	162
Agri-env. payments	48	19	111	43
Subsidies/Single Payment	184	184	214	195
TOTAL OUTPUTS	1464	1224	1225	986
Livestock inputs	62	33	78	41
Crop inputs	252	284	101	204
Labour	144	158	162	86
Machinery	335	251	260	203
General	76	113	97	78
Land & rent	249	247	256	223
TOTAL INPUTS	1117	1086	955	836
Net Farm Income	347	138	271	151
Farm Business Income	402	213	291	275

Cropping outputs for the 2006/07 sample of organic farms was 41% higher at £533/ha than in 2005/06. Wheat yields on the 2006/07 farms were 14% lower at 4.3t/ha, while the average wheat price received strengthened by 45% to £183/t, reflecting price increases across the sector. The crop area of both wheat and barley were considerably reduced, with similar reductions in other crop areas, though the area of other cereals rose to 15.2 ha. Cropping output for the 2006/07 conventional sample was nearly 35% lower at £511/ha than in 2005/06, due in part to a lower percentage cropping area than previously. Conventional crop yields were similar between the two years, although low for most crop types. Higher prices were obtained for all crops in 2006/07. Cropping output was approximately 44% of total outputs for organic and 52% for conventional farms, with organic farm cropping output slightly higher than conventional.

Overall, the organic farm sample achieved considerably higher outputs for both livestock and environmental payments than conventional, which accounted for some of the difference in incomes achieved, with other output categories being similar to conventional. Livestock outputs represented approximately 15% and 8% of total output in both years for the organic and conventional farms respectively. Environmental payments represented approximately 9% of total output at £111/ha for the organic farms compared with only 4% (£43/ha) for the conventional farms in 2006/07.

The 2006/07 organic sample's crop input costs were 60% lower at £101/ha than in 2005/06, whilst fixed costs were similar at £775/ha. The conventional sample's crop input costs were 28% lower, with lower fixed costs, especially labour. Cropping inputs were double for the conventional farms than for the organic farms, reflecting both the lower use of fertilisers and sprays on organic farms and the different balance of crop and livestock enterprises. Livestock costs for the 2006./07 organic sample were 25% higher, reflecting the higher number of livestock units in the sample. Overall, total inputs were slightly lower for 2006/07 for both types, at £955/ha for the organic farms and £836/ha for conventional farms.

Annual labour units per farm were higher on the 2006/07 sample of organic farms at 2.7 ALU/farm, with more reliance on paid labour, compared with a lower 1.7 ALU/farm for conventional units.

Net farm income (NFI) for the 2006/07 organic farms was nearly 22% higher at £271/ha compared with 2005/06, and 10% higher at £151/ha for the conventional farms. Overall, the gap between the NFI of the organic and conventional farm sample narrowed during 2006/07. Farm business income (FBI) was 28% higher at £291/ha for 2006/07 organic sample, and 30% higher at £275/ha for the conventional farms. The returns to total labour units used in 2006/07 were £23,770/ALU for the organic farms and £16,556/ALU for the conventional farms.

The net farm income trends identified for the comparable conventional farms contrast with the trends for all conventional cropping farms in the published Farm Business Survey results, which saw a near doubling in 2006/07 compared with 2005/06. The difference may be due to changes in the composition of the comparable conventional farm sample or other factors such as business location. Further details can be found at:

<https://statistics.defra.gov.uk/esg/publications/fab/2007/excel.asp>.

3.4 Horticulture

For detailed results see Appendix 1, Table A2, page 52.

Whole-farm financial data were obtained from eight organic farms where vegetables were the predominant enterprise. Due to the nature of the farms in the horticulture group, it was not possible to identify similar conventional businesses using the clustering procedure and no comparative results are shown (although details for all FBS horticultural holdings can be found at <https://statistics.defra.gov.uk/esg/publications/fab/2007/excel.asp>).

It was also not possible to identify a sufficiently large identical sample to show trends between years. The full sample shows a lower level of intensive horticultural crop area in the 2006/07 sample (4.4ha compared with 25.5ha in 2005/06), with double the area of grassland and fallow land. Although similar in total land area, the ESU size varies considerably between years, reflecting the 2006/07 sample consisting of smaller, less intensive businesses.

The number of livestock kept on the farms varied from 0.2 LU in 2005/06 to 0.5 LU per farm in 2006/07. Annual labour units (ALU) were lower at 3.5 ALU/farm in 2006/07 compared with 5.3 ALU/farm in 2005/06.

NFI for the 2006/07 sample was 58% lower at £1135/ha, as was Farm Business Income at £1209/ha. Total farm output was 62% lower at £5,766/ha in 2006/07, total expenses (including notional inputs) were also lower at £4630/ha. In contrast, livestock output was nearly six times as high in 2006/07.

Table 5 Summary data for horticulture businesses (£/farm and £/ha), 2005/06 and 2006/07

Financial Year Data	<i>Full sample</i>			
	2005/06		2006/07	
	Org		Org	
Sample number	8		8	
Average farm size (UAA)	32.9		22.6	
Business Size (ESU)	246.4		155.9	
	£/farm	£/ha	£/farm	£/ha
Livestock outputs	2228	68	8712	385
Cropping outputs	469545	14294	97672	4318
Protein/energy support	0	0	0	0
Miscellaneous	10858	331	22088	976
Agri-env. payments	10133	308	475	21
Subsidies/Single Payment	507	15	1481	65
TOTAL OUTPUTS	493270	15016	130427	5766
Livestock inputs	860	26	6812	301
Crop inputs	244735	7450	17123	757
Labour	52729	1605	32318	1429
Machinery	51363	1564	19142	846
General	17933	546	10535	466
Land & rent	36591	1114	18815	832
TOTAL INPUTS	404210	12305	104746	4630
Net Farm Income	89060	2711	25681	1135
Farm Business Income	89329	2719	27342	1209

3.5 LFA dairy farms

For detailed results see Appendix 1, Table A3, page 56.

There were insufficient data to allow identical samples to be analysed so all observations must be taken with caution, due to sample variation between years.

Average farm size in the organic sample was approximately 8% higher, whilst business size is some 3% lower, than for the conventional farms in 2006/07. Labour was similar for both organic and conventional samples, at 2.2 and 2.1 units respectively. The organic stocking rate was equivalent to 87% of that of the conventional farms at 1.3 LU/eff. ha.

Livestock outputs for the 2006/07 organic farm sample were 25% higher than in 2005/06 at £1,357/ha. Milk yield was slightly higher at 5648 litres/cow, with a significantly improved milk price of 25.5 pence per litre in 2006/07. Livestock output on the conventional farms was 3% lower, with milk prices down to 16.5 pence per litre, in addition to lower average milk yield of 5,552 litres per cow, lower than the average for the organic sample. Total outputs were 25% higher at £1,672/ha for the organic farms in 2006/07 compared with 2005/06, and around 4% higher for the conventional farms at £1,373/ha. Increased organic output was due to increased livestock outputs in addition to increased other revenue, whereas conventional output only improved due to other revenue improvements.

Table 6 Summary data for LFA dairy farms (£/ha), 2005/06 and 2006/07

Financial Year Data	<i>Full sample</i>			
	2005/06		2006/07	
	Org	Conv.	Org	Conv.
Sample number	5	25	6	23
Average farm size (UAA)	103.0	99.7	90.4	83.5
Business Size (ESU)	89.3	92.1	76.1	78.1
	£/ha	£/ha	£/ha	£/ha
Livestock outputs	1082	1062	1357	1026
Cropping outputs	11	23	4	23
Protein/energy support	0	0	0	0
Miscellaneous	43	51	80	99
Agri-env. payments	85	37	106	48
Subsidies/Single Payment	109	152	126	177
TOTAL OUTPUTS	1330	1326	1672	1373
Livestock inputs	444	415	544	432
Crop inputs	21	80	41	80
Labour	189	142	186	126
Machinery	235	227	262	250
General	89	105	108	120
Land & rent	162	201	187	304
TOTAL INPUTS	1139	1169	1327	1311
Net Farm Income	190	157	345	62
Farm Business Income	377	229	537	196

Input costs were higher in 2006/07 for both farm type samples with the exception of labour costs, which were more similar. The biggest difference came from higher livestock inputs on organic farms, partly reflected in higher livestock output. Crop inputs on the conventional farms were significantly higher than on the organic farms, reflecting in part the lower use of fertilisers and sprays on the organic businesses, although the gap was reduced. For the organic farms, the proportion of input costs attributed to livestock was approximately 41% compared with 33% for the conventional farms. Organic labour costs remained around 30% higher than conventional. Overall, total input costs on the organic farms were 16% higher (£1,139/ha in 2005/06 compared with £1,327/ha in 2006/07) and 12% higher on the conventional farms from at £1,311/ha.

Net farm income (NFI) for the organic farm sample in 2006/07 was 82% higher at £345/ha than the 2005/06 sample, whilst the conventional 2006/07 sample was 60% lower at £62/ha. This appears largely due to higher income on the organic farms, more than covering higher input costs, whilst output on conventional farms has failed to keep pace. Farm business income (FBI) showed an even greater gap at £537/ha and £196/ha respectively for organic and conventional farms in 2006/07.

Returns to total labour units reflected the improved organic dairy situation at £17,833/ALU for the organic farms and £3,732/ALU for the conventional farms in 2006/07.

3.6 Lowland dairy farms

For detailed results see Appendix 1, Table A4, page 64.

Data from ten organic lowland dairy farms have been used for the two year comparison of identical farms where two farms were in Northern England, three in Wales, two in the South West region and three from Central and Eastern England. In total, the full sample of lowland organic dairy farms amounted to 23 farms in 2006/07.

Average farm size and dairy cow numbers for the identical organic sample were approximately 12% and 8% higher respectively than for the conventional farms in 2006/07. The average herd size on the organic farms increased from 129 cows to 151 cows and as a result business size was greater for the organic farm sample. Annual labour units utilised were similar, while the organic stocking rate at 1.6 LU per effective hectare was equivalent to 89% of the conventional farms.

Table 7 Summary data for lowland dairy farms (£/ha), 2005/06 and 2006/07

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>			
	2005/06		2006/07		2005/06		2006/07	
	Org	Conv.	Org	Conv.	Org	Conv.	Org	Conv.
Sample number	10	61	10	61	19	118	23	133
Average farm size (UAA)	97.8	88.2	100.6	88.2	122.7	112.8	129.5	126.3
Business Size (ESU)	122.4	114.6	125.0	114.8	148.5	136.8	168.6	158.6
	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Livestock outputs	1657	1618	1930	1614	1466	1395	1821	1445
Cropping outputs	47	208	15	118	40	175	32	140
Protein/energy support	1	0	0	0	0	0	0	0
Miscellaneous	118	158	154	173	98	163	133	178
Agri-env. payments	53	15	71	22	44	14	78	21
Subsidies/Single Payment	166	188	194	216	162	199	223	219
TOTAL OUTPUTS	2042	2187	2366	2144	1811	1946	2287	2004
Livestock inputs	617	627	642	716	516	536	706	606
Crop inputs	55	202	57	131	47	166	49	147
Labour	199	240	216	251	217	246	256	270
Machinery	327	349	327	370	322	328	348	345
General	170	181	181	193	132	163	169	153
Land & rent	339	278	354	305	315	260	319	275
TOTAL INPUTS	1706	1876	1777	1964	1548	1698	1847	1797
Net Farm Income	336	310	589	179	263	249	440	206
Farm Business Income	470	382	693	244	305	314	458	285

Livestock output increased by 16% in 2006/07 for the organic farms, with output from milk production increasing due to a slight increase in milk yield to 5676 litres per cow and due to a 3.1ppl increase to 25.2ppl in the milk price received. Livestock output rose by 3% for the conventional farms in 2006/07, although the average milk yield per cow remained similar, as did milk price received, at around 17.5ppl. Total outputs increased by 16% for the organic farms from 2005/06 (£2,042/ha) to 2006/07 (£2,366/ha) and fell by 2% for the conventional farms to £2,144/ha in 2006/07.

Between identical samples, the conventional crop output was greater than on the organic farms, partly due to differences in cropping area, which averaged 3.1ha for the organic farms compared to 9.6ha for the conventional farms. Other revenue sources were higher for the conventional sample, although organic farms received higher agri-environmental payments on a hectare basis than the conventional farms.

The level of input costs rose across the board between samples and financial periods. In general, input costs increased for the organic farms for all categories, especially for livestock inputs in the full sample. Crop inputs on the conventional farms were significantly higher than on the organic farms, reflecting in part the lower use of fertilisers and sprays by the organic businesses, though the conventional farm expenditure decreased in 2006/07. Overall, total inputs increased for the organic farm sample by 4% and for the conventional farms by 5%.

Net farm income (NFI) for the identical organic sample increased by 75% in 2006/07 to £589/ha, while decreasing by 42% to £179/ha for the conventional farms. In 2006/07, NFI values were 3.3 times higher for the organic farms in comparison to conventional farms, compared to only 8% higher in 2005/06. The organic FBI, at £693/ha in 2006/07, was 2.85 times higher than the conventional at £244/ha.

The return on tenant's capital for the identical sample of organic farms rose significantly from 8.2% for 2005/06 to 28.1% for 2006/07. For the conventional farms, this value was 2.0% in the previous year, decreasing to -2.7% for 2006/07. The full sample of farms for 2005/06 indicated a similar relationship to the identical farm sample NFI, organic at £440/ha, and conventional farms at £206/ha. The return on tenant's capital was 19.4% for the organic full sample while the conventional farms returned 2.9% for this financial period. Returns to total labour units used for the identical samples were £26,672 for the organic farms and £9,448 for the conventional farms based on NFI and labour calculations in 2006/07.

3.7 Lowland cattle and sheep farms

For detailed results see Appendix 1, Table A5, page 72.

Data from eight organic lowland cattle and sheep farms have been used for the two-year comparison where four farms were located in Wales, three in the South West region of England and one from Central and Eastern England region. In the 2006/07 dataset, there were 23 organic lowland cattle and sheep farms in the full sample.

Average organic farm size was slightly smaller than conventional, whilst business size was some 20% lower. Other differences included 19% more livestock on the conventional farms than the organic farms, with stocking at 1.2 LU/eff. ha compared to 0.9 LU/eff. ha on the organic farms. Cattle represented 75% of the stock carried on the organic farms, compared with 66% of stock on the conventional farms on a livestock unit basis. Sheep mostly made up the remainder of stock carried for both farm samples, although the conventional farms on average carried greater breeding ewe numbers than the organic farms. Annual labour units were similar for both organic and conventional farms at 2.7 to 2.8 ALU/farm respectively.

Table 8 Summary data for lowland cattle and sheep farms (£/ha), 2005/06 and 2006/07

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>			
	2005/06		2006/07		2005/06		2006/07	
	Org	Conv.	Org	Conv.	Org	Conv.	Org	Conv.
Sample number	8	61	8	61	17	185	23	204
Average farm size (UAA)	98.7	101.9	91.2	102.7	90.0	93.5	91.7	90.5
Business Size (ESU)	23.9	29.5	22.8	28.5	22.4	30.0	24.2	29.7
	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Livestock outputs	312	341	390	352	301	372	319	399
Cropping outputs	-8	53	13	63	9	54	28	60
Protein/energy support	0	0	0	0	0	0	0	0
Miscellaneous	70	48	103	56	56	66	105	139
Agri-env. payments	98	31	135	36	96	27	105	41
Subsidies/Single Payment	140	203	150	196	154	213	171	186
TOTAL OUTPUTS	612	677	792	704	616	733	729	825
Livestock inputs	101	115	93	125	93	138	112	179
Crop inputs	11	40	6	43	13	49	15	46
Labour	54	46	64	45	60	68	63	82
Machinery	125	134	141	137	130	149	165	166
General	81	69	79	71	78	76	90	85
Land & rent	185	155	197	156	180	169	187	204
TOTAL INPUTS	556	559	580	578	554	649	631	762
Net Farm Income	55	118	212	125	63	83	97	63
Farm Business Income	137	204	306	205	119	183	330	138

In 2006/07, total outputs were higher for the identical sample of organic farms than for the conventional farms, mainly due to higher livestock outputs and agri-environmental payments. From 2005/06 to 2006/07, the organic farm output increased around 30% to £792/ha, while total outputs for the conventional farms increased by only 4% to £704/ha. Organic livestock outputs were 25% higher while conventional livestock output increased by around 3%. Livestock prices

were slightly higher than the previous year, with organic prices around 24% higher than conventional (see Appendix 1, Table A5.4, pages 78-79).

Other output differences included higher agri-environmental payments received by the organic farms, which accounted for £135/ha (17% of total output) in both 2005/06 and 2006/07 for the organic farms, compared with only £36/ha (5% of total output, up by 2%) for the conventional farms.

Total input costs were very similar for both types, up 4% for organic, 3% for conventional between years. For the organic sample, general input costs rose by 8% to £481/ha. For the conventional farms, fixed costs remained at similar levels at £409/ha. Crop inputs on the conventional farms were significantly higher than on the organic farms, reflecting in part the lower use of fertilisers and sprays by the organic businesses.

In 2006/07 organic NFI increased substantially to £212/ha, a near four fold increase, whereas conventional NFI remained similar at £125/ha. The rise is due to increases in output in all sectors compared to the previous year. Farm business income (FBI) showed a similar trend, with organic rising to £306/ha and conventional remaining stable at £205/ha. The return on tenant's capital was 7.2% for the identical organic sample, but negative in both years for all other samples. In 2006/07, the returns to total labour units were £15,736/ALU on the organic farms and £7,828/ALU for the conventional farms based on NFI and labour calculations.

Comparing the full sample data, organic NFI was 54% higher at £97/ha and conventional NFI 25% lower at £63/ha in 2006/07 compared with 2005/06. The organic farm full sample NFI was higher than that of the conventional farms in 2006/07, reversing the 2005/06 position.

3.8 LFA cattle and sheep farms

For detailed results see Appendix 1, Table A6, page 80.

Data from 16 organic LFA cattle and sheep farms have been used for the two year identical sample analysis. Eleven of these farms were located in Wales, one in Central and Eastern England, with the remaining four farms located in Northern England.

Comparing the two identical samples, average farm size was 2% smaller for the organic farms compared to the conventional farms and business size was 13% greater on the conventional farms than the organic farms. Key system differences include lower stocking levels for the organic farms at 1.0 LU/ha compared to 1.2 LU/ha for the conventional farms. The lower stocking rate for the organic farms translates into lower stock numbers carried per farm despite the larger farm size, though stock numbers continued to fall faster on the conventional farms. For the organic sample, 14% less stock are carried than conventional, down from 18% in 2005/06, with the proportion of cattle and sheep managed at 53:47 compared to the conventional farms where the proportion of cattle and sheep is 47:53. Annual labour use was similar at 1.8 ALU/farm for the organic and 1.9 ALU/farm for conventional farms.

Table 9 Summary data for LFA cattle and sheep farms (£/ha), 2005/06 and 2006/07

Financial Year Data	<i>Identical sample</i>				<i>Full sample</i>			
	2005/06		2006/07		2005/06		2006/07	
	Org	Conv.	Org	Conv.	Org	Conv.	Org	Conv.
Sample number	16	84	16	84	25	135	29	158
Average farm size (UAA)	125.9	127.4	126.4	128.7	125.3	121.1	144.9	129.9
Business Size (ESU)	36.8	42.4	35.9	41.1	33.1	38.6	35.6	40.8
	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha	£/ha
Livestock outputs	347	421	392	428	299	400	327	397
Cropping outputs	11	12	9	19	9	9	12	14
Protein/energy support	0	0	0	0	0	0	0	0
Miscellaneous	126	45	103	50	99	47	100	47
Agri-env. payments	134	70	133	70	121	76	134	86
Subsidies/Single Payment	232	223	207	218	190	215	179	222
TOTAL OUTPUTS	851	772	844	786	717	746	752	767
Livestock inputs	145	181	154	196	129	179	132	186
Crop inputs	28	54	20	59	22	48	20	56
Labour	121	59	85	63	88	63	77	74
Machinery	134	151	147	152	121	149	152	151
General	81	57	82	62	68	60	71	65
Land & rent	151	144	181	162	151	139	170	170
TOTAL INPUTS	660	646	669	693	579	638	623	703
Net Farm Income	191	127	174	93	138	108	130	63
Farm Business Income	214	188	195	178	142	172	174	165

Compared with 2005/06, in 2006/07 total output decreased by less than 1% to £844/ha for the identical organic farm sample and increased by 2% to £786/ha for the conventional farms. Livestock outputs increased for organic farms, and remained similar for conventional units. Prices rose for all organic ruminant stock categories in 2006/07, fat cattle by 15%, fat lambs by 10%. Conventional livestock prices were more variable, with an increased fat cattle price, but a slight decrease in fat lamb price. Overall, organic stock made higher prices than the conventional livestock for both years; however, store cattle and ewe prices were higher for the conventional stock (see Appendix 1, Table A6.4, pages 86-87).

The organic farms received higher agri-environmental payments than the conventional farms, both very similar to the previous year, representing 16% (£133/ha) of total output for the organic farms in 2006/07. Agri-environmental payments represented 9% (£70/ha) of conventional total output in 2006/07.

Input costs were similar with no substantial changes in 2006/07 compared to the previous year for the organic farms, and a slight rise for conventional farms. Overall organic inputs rose by 1.5% to £669/ha, conventional by 7.3% to £693. Crop inputs on the conventional farms were significantly higher than on the organic farms, reflecting in part the lower use of fertilisers and sprays by the organic businesses. The main increase to the organic sample costs was rent, and a significant cut back in labour costs.

Overall, net farm income (NFI) fell in 2006/07 by 27% to £93/ha for the conventional farms and by 9% to £174/ha for the organic farms compared with 2005/06. FBI fell similarly to £195/ha for the organic farms, and £178/ha for conventional. The gap between organic and conventional farms is less apparent with the FBI measure than the NFI figure due to higher imputed values for rent and other costs included in the conventional NFI. In terms of returns on tenant's capital, the organic farms showed a positive return of 6.1%, falling slightly from 7% in 2005/06, while the conventional farms showed a return of -3.7%, falling from -0.8% for 2005/06. Returns to total labour units used for the identical samples were £14,278/ALU for the organic farms and £6,143/ALU for the conventional farms.

A comparison between the 2005/06 and the 2006/07 full sample datasets indicate that organic NFI was slightly lower at £130/ha and conventional NFI 42% lower at £63/ha in 2006/07 compared with 2005/06. Conversely organic FBI was 22% higher at £174/ha, while conventional FBI was 4% lower at £165/ha over the same period.

3.9 Mixed farms

For detailed results see Appendix 1, Table A7, page 88.

There was insufficient data to allow identical samples to be analysed so all observations must be taken with caution, due to sample variation between years.

The full sample comprises nine organic and 51 conventional cropping, cattle and sheep farms.

Both average farm size and business were similar for the organic and conventional farms. Land utilisation was similar between the organic and conventional farms, though peas and beans were more prominent in the organic sample. Stocking rates were also similar, with the organic farms stocking at 0.7 LU/ha and the conventional farms at 0.8 LU/ha, both slightly lower than the previous year samples. Cattle represented 82% of stock on the organic farms compared to 64% on the conventional farms. Sheep in general made up the remaining livestock carried. Labour use was similar at 1.9 and 1.8 ALU/farm for the organic and conventional farms respectively.

Table 10 Summary data for mixed farms (£/ha), 2005/06 and 2006/07

Financial Year Data	<i>Full sample</i>			
	2005/06		2006/07	
	Org	Conv.	Org	Conv.
Sample number	10	62	9	51
Average farm size (UAA)	111.2	108.3	121.3	117.6
Business Size (ESU)	43.4	48.2	50.7	49.2
	£/ha	£/ha	£/ha	£/ha
Livestock outputs	348	339	320	342
Cropping outputs	154	183	255	245
Protein/energy support	1	0	0	0
Miscellaneous	94	90	93	129
Agri-env. payments	62	20	64	55
Subsidies/Single Payment	223	218	220	200
TOTAL OUTPUTS	882	851	953	970
Livestock inputs	101	154	122	152
Crop inputs	45	100	56	103
Labour	116	83	79	75
Machinery	217	208	229	190
General	94	75	80	89
Land & rent	172	180	182	206
TOTAL INPUTS	746	801	748	816
Net Farm Income	136	49	205	154
Farm Business Income	165	102	232	217

Livestock output represented 34% of total output with cropping outputs representing around 27% in the organic sample, with little difference in the conventional group. Output generated from agri-environmental payments differed more markedly between samples with much less difference between the two management systems in 2006/07, compared to 2005/06. On the conventional farms, agri-environmental payments represented 6% of total output in 2006/07 compared to 2.4% in 2005/06.

Livestock outputs for the 2006/07 organic farm sample were 8% lower than in 2005/06, at £320/ha, while slightly higher at £342/ha on the conventional farms. Organic finished cattle and lamb prices were substantially higher than conventional. While conventional prices had remained stable or decreased, organic stock had generally risen in value.

Cropping output on both organic and conventional farms in 2006/07 was higher than for the 2005/06 samples, by 65% at £255/ha for organic and by 34% at £245/ha for conventional. Cropping output from the organic farms was on average 4% higher than the conventional farms. In 2006/07, organic wheat crop yields were 35% less than conventional, but at £189/tonne achieved a 225% premium for the crop over conventional prices. Prices for both organic and conventional wheat increased by around 25% in 2006/07.

Inputs associated with livestock production were 20% for the 2006/07 organic farm sample compared with 2005/06, while they were slightly lower for the conventional farms in 2006/07. Crop inputs were 25% higher for the 2006/07 organic farms, and 3% higher for the conventional farms, though crop inputs on the conventional farms were still significantly higher than on the organic farms, reflecting in part the lower use of fertilisers and sprays in the organic businesses. Organic fixed costs for the 2006/07 sample were slightly lower at £570/ha, with lower labour and general costs, but higher land and machinery costs. Conventional costs were slightly higher at £560/ha, due to higher land and general costs. Total inputs were similar in 2006/07 at £748/ha on the organic farms and £816/ha on the conventional farms.

Organic net farm income (NFI) was 51% higher (at £205/ha) for the 2006/07 sample compared with 2005/06, with conventional farms also higher at £154/ha. The relative performance between organic and conventional was closer in 2006/07 compared with 2005/06, but organic farms are still ahead. Farm business income (FBI) were higher in 2006/07 for both sectors at £232/ha for organic and £217/ha for non-organic, a difference of 40% and 213% respectively compared with 2005/06. The return on tenant's capital showed an improvement in figures for organic and conventional samples in 2006/07, at 3.9% and -0.9% respectively. Returns to total labour used were £13,632/ALU for the organic farms and £10,743/ALU for the conventional farms.

4. Enterprise gross and net margins

Tables 11 to 14 show gross margin results for selected organic livestock and crop enterprises for 2006/07, with some 2005/06 data (not from identical farms) for comparative purposes. Gross margin figures are for certified organic enterprises, but may include some livestock/crops sold at conventional prices. Arable benchmark costs of production are included in this section as the results are directly derived from the gross/net margin data based on achieved yields. Not all crop results could be shown due to small sample sizes.

All gross margin data have been calculated as simple averages. Crop outputs include revenue and imputed values for farmhouse consumption, feed used on farm and a closing valuation for any unsold crop. It should be noted that feed values and closing valuations may be undervalued (i.e. not valued at achievable organic premium prices) in the recording process – however, this will also be reflected in lower costs for the livestock enterprises where homegrown feed is used.

Estimated net margins including allocated fixed and imputed costs are also shown. These costs are allocated *pro rata* based on the number of livestock units (LU) and the land area allocated to individual enterprises. The imputed costs cover unpaid labour (based on standard rates for hours input) as well as rental value for owner occupied land and interest on tenant-type capital adjusted for actual interest payments. This ensures that the costs of the farm-family's own labour, land and capital resources used in the business are accounted for.

Table 11 Organic dairy gross and net margins (£/cow), 2006/07 and 2005/06

Herd characteristics	< 100 cows	> 100 cows	North Eng	Cent Eng	SWest Eng	Wales	Top 5*	All herds	All herds
	2006/7	2006/7	2006/7	2006/7	2006/7	2006/7	2006/7	2006/7	2005/06
Number of herds	16	19	9	5	12	9	5	35	25
Average farm area - actual ha	109	219	88	217	234	135	298	169	148
-effective ha	104	208	80	202	228	127	282	160	141
Average size of the farm business (ESU)	82	241	88	245	174	199	317	169	152
Average size of herd (dairy cows)	60	203	72	202	123	187	250	137	126
Average milk yield (litres per cow)	5240	5504	5288	5083	5598	5360	5631	5526	5283
Implied milk price (ppl)	25.8	26.2	28.0	26.4	26.5	23.3	27.0	26.0	23.1
Enterprise output (£ per cow)									
Milk disposals (incl. for calves/farmhouse)	1440	1418	1630	1417	1585	1203	1574	1422	1217
Calves - sales and transfers out	51	50	47	45	50	55	46	50	51
Bulls & cows - sales and transfers out	151	50	49	24	107	74	28	70	48
Net milk quota	0	-2	0	0	0	-5	0	-2	-2
Valuation change	-88	63	7	67	18	36	78	33	15
Less: purchases & transfers in	111	201	162	127	208	203	156	183	142
Total enterprise output	1443	1377	1571	1426	1552	1159	1571	1390	1187
Variable costs (£ per cow)									
Concentrates	348	310	413	282	363	262	304	317	230
Purchased bulk feed	23	17	16	11	32	11	3	18	4
Stock keep	0	6	2	2	5	8	12	5	6
Veterinary & medicines	34	39	39	39	37	38	40	38	25
Other livestock costs - dairy	138	136	135	178	144	105	157	136	100
Total variable costs	543	507	605	511	580	424	516	514	365
Margin over concentrates	1096	1067	1158	1144	1189	897	1267	1073	958
Gross margin before forage costs	900	870	966	915	971	735	1055	876	823
Forage variable costs (£ per cow)									
Seeds	22	9	9	8	20	7	5	11	9
Fertilisers	9	8	7	4	3	16	10	8	6
Sprays	0	0	0	0	0	0	0	0	0
Other forage costs	6	5	11	2	6	5	6	5	6
Total forage variable costs	36	23	26	14	29	28	21	25	21
% of forage variable costs to dairy	59	68	67	76	58	68	67	66	66
Gross margin including forage costs	864	848	966	915	971	735	1034	851	801

* Top five farms are based on highest gross margin including forage costs

Table 11 (cont.)

Herd characteristics	< 100 cows	> 100 cows	North Eng	Cent Eng	SWest Eng	Wales	Top 5*	All herds	All herds
	2006/7	2006/7	2006/7	2006/7	2006/7	2006/7	2006/7	2006/7	2005/06
Fixed costs (£ per cow)\$									
Paid labour	58	169	118	193	196	87	172	147	131
Casual labour	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Machinery - contract work	78	74	66	122	69	54	73	74	81
- repairs	50	38	55	23	38	48	33	40	47
- fuels	37	30	36	20	28	38	35	31	35
- depreciation	70	46	83	40	56	41	42	51	69
Buildings depreciation	37	41	35	28	37	53	44	40	31
General farm costs	65	48	61	71	56	31	51	51	41
Water	15	25	18	46	28	7	30	23	17
Electricity	22	19	27	15	18	22	15	20	17
Land expenses	36	33	30	59	31	22	52	34	28
Insurance	33	24	35	26	24	23	19	26	22
Rent	35	46	33	34	65	35	26	44	62
Interest payments	49	48	54	95	27	42	59	48	25
Total fixed costs	585	639	650	773	673	501	651	628	605
Total actual costs	1165	1168	1281	1297	1283	953	1188	1168	991
Net margin over actual costs	279	209	290	129	269	206	383	223	196
Imputed costs									
Unpaid labour (farmer, spouse, other)	330	96	263	107	150	112	70	143	133
Imputed rent	64	71	19	83	65	85	67	69	69
Interest on tenant's capital (6% rate) #	14	6	12	-45	35	7	-10	8	24
Total imputed costs	408	173	293	144	251	204	127	221	227
Total costs including imputed	1573	1342	1575	1440	1534	1157	1315	1388	1218
Net margin over all costs	-130	36	-4	-15	18	1	256	2	-31
Other related inputs									
LFA and agri-environmental payments	78	45	41	40	69	46	43	53	33
of which Organic Farming Scheme	10	11	0	0	7	26	10	11	11
By products and forage	28	7	2	21	30	-10	11	12	-2
Single Payment Scheme	155	143	93	155	186	117	152	146	107
Total other related inputs	261	196	136	215	285	153	206	211	138

\$ Fixed costs are apportioned to enterprise according to ratio of livestock units per enterprise and proportion of farm area in forage (hay, silage and grazing area)

Tenants capital concerns livestock and machinery values minus actual interest paid in fixed costs

Table 12 Organic beef gross and net margins (£/cow), 2006/07 and 2005/06

Location Enterprise type Year	Less-favoured area				Lowland			
	Finishing		Stores		Finishing		Stores	
	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06
Number of herds	14	13	10	8	24	16	7	5
Average farm area - actual ha	226	191	405	238	168	125	73	82
-effective ha	200	155	194	160	150	120	62	68
Average size of the farm business (ESU)	52	49	40	35	60	39	24	20
Average size of herd (breeding cows)	59	41	37	33	44	37	36	37
Enterprise output (£ per cow)								
Calf Sales	0	3	57	30	2	2	10	64
Other store cattle - sales & transfers out	106	112	430	345	92	109	265	339
Bulls & cows - sales & transfers out	56	29	72	55	77	78	29	46
Finished cattle sales	581	613	162	30	633	783	117	21
Valuation change	194	28	-51	-32	45	75	207	-5
Less: purchases & transfers in	124	136	124	71	149	176	233	145
Total enterprise output	814	648	546	357	700	869	394	320
Variable costs (£ per cow)								
Concentrates	131	86	94	40	94	31	40	22
Purchased bulk feed	11	19	10	3	19	7	19	1
Stock keep	15	31	1	2	7	6	0	0
Veterinary & medicines	44	22	33	21	23	21	36	16
Other livestock costs - beef	96	74	88	72	86	78	88	58
Total variable costs	297	232	225	137	229	143	184	96
Gross margin before forage costs	517	416	321	219	471	726	210	224
Forage variable costs (£ per cow)								
Seeds	6	4	7	6	27	16	3	9
Fertilisers	16	13	11	22	1	5	0	0
Sprays	3	0	0	0	1	0	0	0
Other forage costs (excl. contracting)	8	5	5	9	9	11	4	7
Total forage variable costs	33	22	23	38	38	32	6	16
% of forage variable costs to enterprise	53	51	42	25	76	62	95	97
Gross margin including forage costs	484	393	298	182	434	694	204	208

Table 12 (cont.)

Location Enterprise type Year	Less-favoured area				Lowland			
	Finishing		Stores		Finishing		Stores	
	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06
Fixed costs (£ per cow)\$								
Paid labour	201	65	70	45	140	50	15	4
Casual labour	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Machinery - contract work	68	74	59	64	77	98	26	36
- repairs	39	27	22	20	56	21	70	42
- fuels	53	25	30	16	45	25	47	9
- depreciation	78	58	72	40	107	109	140	105
Buildings depreciation	56	33	40	25	41	33	53	27
General farm costs	67	59	53	59	82	67	67	77
Water	6	4	4	1	14	5	9	6
Electricity	9	5	7	3	9	7	13	11
Land expenses	29	47	24	46	53	26	35	59
Insurance	32	31	36	28	40	37	37	34
Rent	101	99	19	20	88	85	29	58
Interest payments	59	80	79	58	63	50	60	31
Total fixed costs	798	608	516	425	815	612	600	499
Total actual costs	1128	862	764	600	1082	787	790	611
Net margin over actual costs	-314	-214	-218	-243	-382	82	-396	-291
Imputed costs (£ per cow)								
Unpaid labour (farmer, spouse, other)	163	156	198	145	356	210	441	248
Imputed rent	98	114	164	159	106	148	155	110
Interest on tenant's capital (6% rate) #	49	27	6	-18	33	46	36	69
Total imputed costs	310	297	368	286	495	403	631	426
Total costs including imputed	1438	1159	1132	886	1577	1190	1422	1038
Net margin over all costs	-624	-511	-586	-529	-877	-321	-1028	-718
Other related outputs (£ per cow)								
LFA and agri-environmental payments	180	215	356	187	177	129	113	108
of which Organic Farming Scheme	29	45	80	85	16	20	8	18
By products and forage	10	-4	15	7	43	31	30	69
Single Payment Scheme	373	425	345	194	392	360	235	248
Total other related inputs	563	635	716	388	612	521	378	426

\$Fixed costs apportioned to enterprise according to ratio of livestock units per enterprise and proportion of farm area in forage (hay/silage/grazing)

Interest on livestock, deadstock and machinery values minus actual interest paid (see fixed costs)

Table 13 Organic breeding sheep gross and net margins (£/ewe), 2006/07 and 2005/06

Location Productivity*	Less-favoured area				Lowland	
	Lower		Higher		All flocks	
	2006/07	2005/06	2006/07	2005/06	2006/07	2005/06
Year						
Number of flocks	11	12	19	17	18	17
Average farm area - actual ha	219	153	364	248	176	130
- effective ha	153	127	235	172	172	122
Average size of the farm business (ESU)	35	32	68	56	67	43
Average size of flock (breeding ewes)	601	507	878	612	246	282
Finished lambs sold per ewe	0.7	0.6	1.1	1.0	1.0	1.2
Enterprise output (£ per ewe)						
Lamb sales - store	1.6	3.4	3.3	3.2	1.4	0.7
- finished	29.2	25.8	57.8	46.2	59.1	62.4
Ewe and ram sales	1.1	0.8	5.7	3.4	0.9	1.1
Other sheep sales	3.4	2.0	3.2	2.8	5.6	4.9
Wool sales	0.9	1.0	1.2	1.3	1.6	1.9
Valuation change	-2.0	-0.4	3.0	8.2	0.7	-3.4
Less: sheep purchases	1.8	3.7	7.0	9.6	9.9	4.3
Total enterprise output	32.5	29.4	67.2	55.5	59.5	63.3
Variable costs (£ per ewe)						
Concentrates	5.8	8.8	9.7	14.4	6.1	5.5
Purchased bulk feed	1.5	0.6	2.0	5.3	2.0	0.3
Stock keep	0.5	0.4	1.1	3.7	0.5	0.4
Veterinary & medicines	1.8	4.0	6.2	7.0	4.9	3.1
Other livestock costs - sheep	2.7	4.7	6.4	9.6	9.7	7.6
Total variable costs	12.2	18.6	25.3	40.0	23.2	16.8
Gross margin before forage costs	20.3	10.8	41.8	15.5	36.2	46.5
Forage variable costs (£ per ewe)						
Seeds	0.3	0.3	0.3	0.4	3.3	1.4
Fertilisers	0.9	0.8	0.8	1.4	0.0	1.4
Sprays	0.0	0.0	0.2	0.0	0.0	0.0
Other forage costs (excl. contracting)	0.3	0.4	0.4	0.4	0.6	0.6
Total forage variable costs	1.5	1.4	1.7	2.2	4.0	3.3
% of forage variable costs to enterprise	60.7	56	52.5	45	34.4	40
Gross margin including forage costs	18.8	9.4	40.2	13.3	32.2	43.2

* LFA high and low productivity flocks as recorded in FBS fieldbook: typically reflecting contrast between hill and upland breeds

Table 13 (cont.)

Location Productivity Year	Less-favoured area				Lowland All flocks	
	Lower		Higher		2006/07	2005/06
	2006/07	2005/06	2006/07	2005/06		
Fixed Costs (£ per ewe)\$						
Paid labour	4.0	3.7	18.5	9.4	20.1	8.6
Casual labour	n/a	n/a	n/a	n/a	n/a	n/a
Machinery - contract work	2.3	6.5	3.3	5.5	6.0	6.7
- repairs	2.7	3.9	3.5	3.1	3.6	4.0
- fuels	3.7	3.1	3.5	3.4	3.8	3.9
- depreciation	6.6	4.6	7.7	6.0	10.0	8.4
Buildings depreciation	3.0	2.9	3.9	3.4	5.3	2.6
General farm costs	4.5	3.5	4.6	4.5	7.2	6.4
Water	0.2	0.2	0.4	0.1	1.3	0.9
Electricity	0.6	0.4	0.7	0.3	0.7	0.9
Land expenses	2.7	4.0	2.5	2.6	6.9	2.7
Insurance	3.3	2.4	2.0	2.3	2.9	3.6
Rent	2.6	2.5	7.9	7.4	10.6	6.6
Interest payments	7.5	4.1	3.4	4.6	4.4	4.0
Total fixed costs	43.5	41.7	61.8	52.5	82.8	59.3
Total actual costs	47.7	47.9	69.9	64.4	96.5	70.2
Net margin over actual costs	-45.9	-44.2	-62.9	-54.8	-86.5	-65.9
Imputed costs						
Unpaid labour (farmer, spouse, other)	19.7	19.3	8.8	9.2	28.2	17.4
Imputed rent	13.7	13.7	7.4	8.9	13.7	11.9
Interest on tenant's capital (6% rate) #	-1.3	2.1	4.9	2.2	4.6	3.9
Total imputed costs	32.1	35.1	21.2	20.3	46.6	33.2
Total costs including imputed	79.7	82.9	91.0	84.7	143.0	103.4
Net margin over all costs	-77.9	-79.3	-84.0	-75.1	-133.1	-99.1
Other related inputs						
LFA and agri-environmental payments	21.9	20.2	17.0	13.3	21.8	12.8
of which Organic Farming Scheme	6.5	4.5	2.4	4.2	2.2	1.8
By products and forage	0.4	-0.2	1.3	0.2	5.8	3.3
Single Payment Scheme	23.9	21.4	27.5	24.6	36.9	28.5
Total other related inputs	46.2	41.4	45.7	38.1	64.5	44.6

\$ Fixed costs apportioned to enterprise according to ratio of livestock units per enterprise and proportion of farm area in forage (hay/silage/grazing)

Interest on livestock, deadstock and machinery values minus actual interest paid (see fixed costs)

Table 14 Organic arable crop gross and net margins (£/ha and £/tonne), 2006/07 and 2005/06

Crop enterprise Year	Winter wheat				Spring wheat				Triticale				Spring barley			
	2006/07		2005/06		2006/07		2005/06		2006/07		2005/06		2006/07		2005/06	
Fixed Costs\$																
Paid labour	65	1	3	1	79	1	15	4	71	1	41	12	45	4	18	5
Machinery - contract work	90	19	91	18	119	29	78	20	199	46	168	49	45	14	44	13
- repairs	69	15	72	14	40	10	69	18	70	16	58	17	97	30	62	19
- fuels	81	17	81	16	53	13	84	21	53	12	69	20	60	19	76	23
- depreciation	132	28	106	21	119	29	68	17	134	31	48	14	151	47	87	26
Buildings depreciation	26	5	14	3	12	3	18	4	12	3	4	1	15	5	34	10
General farm costs	34	7	24	5	33	8	36	9	43	10	31	9	33	10	29	9
Water	12	2	7	1	6	1	5	1	8	2	11	3	6	2	3	1
Electricity	7	2	5	1	5	1	4	1	6	1	6	2	7	2	6	2
Land expenses	29	6	19	4	19	5	23	6	21	5	13	4	26	8	21	6
Insurance	14	3	11	2	17	4	15	4	19	4	15	4	24	7	9	3
Rent	55	12	83	17	77	19	117	30	85	20	57	16	67	21	76	23
Interest payments	41	9	24	5	11	3	21	5	27	6	27	8	30	9	40	12
Total fixed costs	655	125	540	108	590	125	552	140	746	159	548	159	605	177	506	153
Total actual costs	759	147	613	123	685	148	607	155	862	186	619	180	677	199	592	179
Net margin over actual costs	160	47	176	35	279	86	4	1	55	28	-114	-33	-48	-5	8	2
Imputed costs																
Unpaid labour (farmer/spouse)	41	9	69	14	26	6	57	15	18	4	234	68	53	16	108	33
Imputed rent	52	11	69	14	24	6	43	11	15	3	99	29	43	13	41	12
Interest on tenant's capital#	-20	-4	-4	-1	9	2	0	-1	-8	-2	0	0	-9	-3	-16	-5
Total imputed costs	73	15	134	27	59	14	101	25	25	6	332	96	86	27	132	40
Total costs incl. imputed	833	162	747	150	745	163	708	180	887	192	952	276	763	225	724	218
Net margin over all costs	87	31	42	8	220	71	-96	-24	30	22	-446	-129	-134	-31	-125	-38
Other related inputs																
LFA and agri-environment	74	15	58	12	85	21	52	13	78	18	59	17	102	31	65	20
of which Organic Farming	6	1	24	5	9	2	21	5	4	1	14	4	16	5	16	5
By products and forage	38	8	34	7	32	8	34	8	40	9	40	11	34	10	32	10
Single Payment Scheme	198	42	194	39	198	48	205	49	187	44	175	51	197	61	209	63
Total other related inputs	310	65	287	58	315	76	291	70	304	71	273	79	332	102	305	92

\$ Fixed costs are apportioned to enterprise according to the crop area as a proportion of total actual farm area

Interest at 6% on deadstock and machinery values minus actual interest paid (see fixed costs)

Table 14 (cont.)

Crop enterprise Year	Winter wheat				Spring wheat				Triticale				Spring barley			
	2006/07		2005/06		2006/07		2005/06		2006/07		2005/06		2006/07		2005/06	
Number of enterprises	21		11		11		12		7		5		8		8	
Average farm area - actual ha	256		222		283		213		228		110		302		214	
- effective ha	246		203		263		194		225		107		274		203	
Average business size (ESU)	147		98		108		98		98		76		120		120	
Area of crop grown (ha.)	35		28		29		24		18		11		25		23	
Total production (tonnes)	168		140		120		93		78		38		81		77	
Yield (tonnes per hectare)	4.8		5.0		4.1		3.9		4.3		3.4		3.2		3.3	
Crop Value (£ per tonne)	170		141		213		141		184		125		171		141	
	£/ha	£/t	£/ha	£/t	£/ha	£/t	£/ha	£/t	£/ha	£/t	£/ha	£/t	£/ha	£/t	£/ha	£/t
Enterprise output																
Closing valuation	209	44	195	39	249	60	50	13	289	68	50	15	228	70	138	42
Revenue	546	115	484	97	614	149	475	121	380	89	176	51	271	84	224	67
Farmhouse consumption, in kind	0	0	n/a	n/a	0	0	n/a	n/a	0	0	n/a	n/a	0	0	n/a	n/a
Feed used on farm	54	11	23	5	14	3	30	8	118	27	206	60	56	17	105	32
Crop enterprise output	809	170	701	141	877	213	555	141	786	184	432	125	555	171	466	141
- straw and beet tops	111	23	88	18	88	21	57	15	130	30	73	21	74	23	133	40
Total enterprise output	920	193	789	158	965	234	612	156	916	214	506	147	629	194	600	181
Variable costs																
Seeds	57	12	56	11	60	15	37	10	83	19	39	11	64	20	42	13
Fertilisers	24	5	6	1	2	0	0	0	8	2	12	4	2	1	0	0
Crop protection	7	2	1	0	1	0	0	0	0	0	2	1	0	0	0	0
Other crop costs	16	3	10	2	33	8	18	5	23	5	18	5	6	2	42	13
Total variable costs	104	22	73	15	95	23	56	14	115	27	71	21	72	22	86	26
Gross margin	815	171	716	144	869	211	556	142	801	187	435	126	558	172	514	155

Table 14 (cont.)

Crop enterprise Year	Winter oats		Spring oats				Beans for feed				Ware potatoes	
	2006/07		2006/07		2005/06		2006/07		2005/06		2006/07	
Number of enterprises	7		5		5		18		14		6	
Average farm area - actual ha	211		237		155		291		241		114	
- effective ha	205		233		145		275		224		111	
Average business size (ESU)	75		132		49		124		124		89	
Area of crop grown (ha.)	28		17		12		24		29		6	
Total production (tonnes)	129		61		37		49		89		148	
Yield (tonnes per hectare)	4.7		3.6		3.1		2.1		3.1		27	
Crop Value (£ per tonne)	138		178		112		189		160		235	
	£/ha	£/t	£/ha	£/t	£/ha	£/t	£/ha	£/t	£/ha	£/t	£/ha	£/t
Enterprise output												
Closing valuation	236	50	515	142	257	83	146	71	66	21	472	18
Revenue	404	86	89	25	40	13	219	107	361	118	5815	217
Farmhouse consumption, in kind	5	1	40	11	n/a	n/a	16	8	n/a	n/a	0	0
Feed used on farm	0	0	0	0	52	17	8	4	62	20	0	0
Crop enterprise output	646	138	644	178	349	112	388	189	489	160	6287	235
- straw and beet tops	64	14	111	31	101	32	0	0	0	0	0	0
Total enterprise output	709	151	755	209	449	145	388	189	489	160	6287	235
Variable costs												
Seeds	62	13	42	12	10	3	65	32	49	16	901	34
Fertilisers	7	1	1	0	27	9	4	2	2	1	62	2
Crop protection	14	3	0	0	0	0	0	0	0	0	65	2
Other crop costs	11	2	10	3	95	31	13	6	14	4	155	6
Total variable costs	93	20	53	15	132	42	82	40	65	21	1182	44
Gross margin	616	131	702	194	318	102	307	150	425	139	5105	190

Table 14 (cont.)

Crop enterprise Year	Winter oats		Spring oats				Beans for feed				Ware potatoes	
	2006/07		2006/07		2005/06		2006/07		2005/06		2006/07	
Fixed Costs\$												
Paid labour	93	1	42	0	0	0	34	1	13	4	461	0
Machinery - contract work	63	13	108	30	121	39	113	55	66	22	657	25
- repairs	75	16	18	5	108	35	14	7	54	18	133	5
- fuels	74	16	32	9	76	25	26	13	55	18	105	4
- depreciation	201	43	96	26	69	22	31	15	50	16	240	9
Buildings depreciation	12	3	18	5	27	9	22	11	22	7	13	0
General farm costs	58	12	32	9	33	11	32	16	22	7	92	3
Water	10	2	10	3	3	1	9	4	4	1	14	1
Electricity	3	1	4	1	2	1	5	2	4	1	21	1
Land expenses	91	19	34	9	12	4	21	10	17	5	33	1
Insurance	20	4	13	4	27	9	14	7	11	4	27	1
Rent	50	11	87	24	32	10	75	37	111	36	31	1
Interest payments	33	7	1	0	48	15	20	10	25	8	42	2
Total fixed costs	785	149	495	126	557	180	417	188	454	148	1868	52
Total actual costs	878	169	548	140	689	222	499	228	519	169	3050	97
Net margin over actual costs	-169	-18	207	69	-239	-77	-110	-38	-29	-10	3237	138
Imputed costs												
Unpaid labour (farmer/spouse)	62	13	18	5	521	168	19	9	61	20	776	29
Imputed rent	82	17	5	1	86	28	29	14	39	13	9	0
Interest on tenant's capital#	-13	-3	21	6	-26	-8	0	0	-1	0	-13	0
Total imputed costs	131	28	43	12	581	187	48	23	99	32	771	29
Total costs incl. imputed	1009	197	591	152	1269	409	546	251	617	202	3821	125
Net margin over all costs	-300	-46	164	57	-820	-264	-158	-61	-128	-42	2466	109
Other related inputs												
LFA and agri-environment	133	28	78	22	116	37	89	44	62	20	57	2
of which Organic Farming	16	3	2	1	21	7	10	5	20	6	7	0
By products and forage	40	9	37	10	22	7	33	16	20	6	29	1
Single Payment Scheme	215	46	183	51	238	77	203	99	209	68	209	8
Total other related inputs	388	83	299	83	376	121	325	159	315	103	295	11

\$ Fixed costs are apportioned to enterprise according to the crop area as a proportion of total actual farm area

Interest at 6% on deadstock and machinery values minus actual interest paid (see fixed costs)

5. Benchmark costs of production

Tables 15 to 19 show costs of production data for organic milk, beef and lamb production (crop production costs are shown in Table 14 in the previous section).

Table 15 shows whole sample average and top 5 (low cost) results for organic dairy farms in 2006/07 and whole sample average data for 2005/06 (it should be noted that the data are not from identical samples).

Under the new data collection system for England it is no longer possible to obtain the sale/transfer weights needed to calculate costs of production for beef and lamb. Tables 16 to 19 are therefore for Welsh farms only, using data collected separately by the IBERS Farm Business Survey Unit. The comparable conventional farm data represents results for all farms for which costs of production data were collected. The clustering approach used for selecting comparable conventional farms for the whole-farm data presented in this report was not used in this case.

The cost of production data are calculated according to standard procedures whereby the variable costs relate to actual enterprise costs while the forage costs are apportioned according to the weighting of the livestock enterprise on the basis of livestock units associated with each livestock enterprise. This method is also carried out for allocating the fixed/overhead costs and other outputs, except that there is a further adjustment to account for the weighting of any arable enterprises within the whole farm system. Here, values are allocated on the basis of livestock units and the percentage area that is utilised by the livestock enterprises as a whole. This method assists preventing the allocation of arable costs to the livestock enterprises. All outputs and costs are then divided by the unit of production (litres for milk, kg liveweight for stores and deadweight for finished beef and lamb production).

To fully reflect costs and put businesses on a comparable basis with respect to use of own labour, land and capital resources, imputed values are estimated for unpaid labour (farmer/spouse/other), interest on the farmer's share of tenant's capital (the total on-farm value of buildings, machinery, livestock and milk quota calculated at an interest rate of 6%) and imputed rent (rental value of owner occupied land excluding buildings). These costs are allocated on the same basis as for other fixed costs described above.

5.1 Overview of livestock production costs

Organic and conventional beef and lamb enterprise variable costs of production per kg in 2006/07 were similar. Lower forage costs were balanced by higher other variable costs and by higher feed costs for beef finishing on the organic farms. For organic milk, variable costs were higher on organic than on conventional farms.

Fixed costs per kg or litre were significantly higher for organic milk, beef and lamb, reflecting lower stocking rates/yields per hectare, which limit the spreading of overhead costs over more output (this can be contrasted with similar per farm or hectare values presented elsewhere in this report).

Organic premium prices were able to compensate for the higher total costs in most cases, to give similar or better than conventional net margins. This applies before and after including the value of farm family's own land, labour and capital resources (imputed costs) and support payments. It also applies on a per kg basis, as well as per hectare, despite the lower organic yields. The main exception is breeding beef, due to the lower organic price applied to the transfer out of store animals. The net margins including the value of own resources show a very substantial loss for beef and sheep enterprises. In other words,

current prices (organic or otherwise) are below the costs of production and there has not been significant improvement between the two years. For milk, the net margins were positive, with the higher organic price compensating for higher costs to give similar overall results for organic and conventional businesses. Taking account of the imputed costs, milk production just about breaks even.

To an extent, the negative margins resulting from lower-than-production-cost prices and imputed costs can be offset by other support payments including Tir Mynydd, Organic Farming Scheme and other agri-environment payments, as well as the Single Farm Payment. However, given the political pressure to reduce the level of support payments overall, and the theoretical desirability of using this income to support the development of the farm as a whole, rather than cross-subsidise loss-making enterprises, there is a real challenge to be faced by both organic and conventional producers.

5.2 Dairy enterprise production costs

The costs of production results for England and Wales shown in Table 15 are taken from 35 dairy farms in 2006/07. These farms were classified as 28 lowland and seven LFA dairy farm types. The 2005/06 data are derived from 20 lowland and five LFA farms. As the samples for the two years are made up from different farms, it is not possible to make a direct comparison between results for the two financial years; however the average organic milk price has continued to increase, by a further 2.7ppl in 2006/07, in addition to 3.3ppl in 2005/06.

The main physical differences between the top 5 (low cost) and average groups for 2006/07 included larger farm and herd sizes for the top 5 group as well as higher average milk yields per cow at 5631 litres per cow compared to 5526 litres for the average group. Herd size, farm size and yield per cow have all risen when compared to 2005/06 data. Costs were slightly higher for the best performers, with total costs including imputed costs at 22.30 pence per litre and 21.8 pence per litre for the average group. The main difference between the top and average producers was the milk price, at 25.7 pence per litre for the average group, and 28.2 for the top group. The net margin of production including imputed costs was 5.4 ppl for the top 5 group, twice the average value of 2.7 ppl.

The Welsh dairy farm costs of production data shown in Table 16 indicate a slightly lower level of performance in terms of yields per cow, costs of production and enterprise net margin, consistent with a higher prevalence of lower-intensity, LFA-based production.

5.3 Beef enterprise production costs

Tables 17 and 18 show the average cost of production data for both suckler store and finishing beef production enterprises, from 22 and 25 Welsh organic farms respectively. The top and bottom third groups are classified by net margin per kg output.

The suckler store margin of production including imputed costs, which reflect the value of the farmer's own land, labour and working capital, was minus 481p/kg liveweight (LW) in 2006/07. The top third producers reduced this deficit to 316p/kg LW. The negative net margins are partly caused by the relatively low value applied to weaned organic calves. To some extent, the single farm payment and support payment income offset the losses, as the average margin including support payments is improved to minus 10.3p/kg LW, but it is clear that prices received are still considerably lower than covering the full costs of production. In comparison with conventional store production organic producers have similar output, lower forage costs but higher variable and fixed costs, with a similar net margin overall.

Table 15 Benchmark costs of production data for milk production, 2006/07 and 2005/06

	2006/07		2005/06		2006/07		2005/06
	35	Top 5	25		35	Top 5	25
Sample size	35	Top 5	25		35	Top 5	25
Herd size - numbers	137	250	126	COSTS	ppl	ppl	ppl
Herd size - LU	136	252	124	Concentrates	5.7	5.4	4.3
Total Grazing LU	207	374	190	Purchased bulk feed (hay & straw)	0.3	0.0	0.1
Litres of milk produced per cow	5526	5631	5283	Stock keep	0.1	0.2	0.1
Percentage Dairy LU to Total GLU	66	67	66	Veterinary and medicines	0.7	0.7	0.5
Farm size - effective hectares	160	282	141	Other livestock costs - dairy	2.5	2.8	1.9
Farm size - ESU	169	317	152	Herd replacement	0.7	1.2	0.7
% of area used for forage/grazing	93	89	92	Total variable costs	10.0	10.4	7.6
				Seeds	0.2	0.1	0.2
				Fertilisers	0.2	0.2	0.1
OUTPUTS	ppl	ppl	ppl	Sprays	0.0	0.0	0.0
Dairy - milk	25.7	28.0	23.0	Other forage costs	0.1	0.1	0.1
- livestock purchases, sales and transfer:	-1.1	-1.5	-0.8	Total forage costs	0.5	0.4	0.4
- net milk quota	0.0	0.0	0.0	Paid labour	2.7	3.1	2.5
- slaughter premium	0.0	0.0	0.0	Casual labour	n/a	n/a	n/a
- valuation change	0.6	1.4	0.3	Machinery - contract work	1.3	1.3	1.5
				- repairs	0.7	0.6	0.9
Dairy output	25.2	27.9	22.5	- fuels	0.6	0.6	0.7
				-depreciation	0.9	0.8	1.3
OTHER RELATED OUTPUTS				Buildings depreciation	0.7	0.8	0.6
LFA and agri-environmental payments	1.0	0.8	0.6	General farm costs	0.9	0.9	0.8
Miscellaneous revenue	1.4	1.5	2.9	Water	0.4	0.5	0.3
By-products and forage	0.2	0.2	0.0	Electricity	0.4	0.3	0.3
				Land expenses	0.6	0.9	0.5
Other output	2.6	2.5	3.5	Insurance	0.5	0.3	0.4
				Rent	0.8	0.5	1.0
				Interest payments	0.9	1.1	0.5
				Total fixed costs	11.4	11.6	11.3
TOTAL OUTPUTS	27.7	30.4	25.9				
				TOTAL COSTS	21.8	22.3	19.3
Margin of production - pence per litre (excluding imputed costs)	6.0	8.1	6.6	Imputed costs			
				Unpaid labour (farmer, spouse, other)	1.9	0.9	2.5
Margin of production - pence per litre (including imputed costs)	2.7	5.4	2.3	Imputed rent	1.3	1.2	1.3
				Interest on tenant's capital (6% rate)	0.1	0.6	0.5

Table 16 Benchmark costs of production (ppl) for Welsh milk production, 2006/07

	ORGANIC		CONVENTIONAL	
	Average	Average	Top 33%*	Bottom 33%*
Number of herds	10	113	38	38
Farm size ESU	191	138	132	127
Farm size - eff ha	126.65	101.78	102.44	93.68
Farm size - forage ha	126.02	95.44	95.80	88.97
Total Grazing LU	258	203	205	177
Stocking rate - all GLU/ha	2.05	2.13	2.14	2.00
Herd size - numbers	176	117	108	112
Percentage Dairy LU to Total GLU	0.68	0.57	0.53	0.63
Milk yield per cow (litres)	5446	6683	7035	6319
Litres milk per ha	11152	14234	15063	12607
Variable costs (pence per litre)				
Purchased concentrates	4.83	3.89	3.49	4.09
Home grown concentrates	0.00	0.19	0.27	0.09
Coarse fodder and tack	0.19	0.14	0.15	0.16
Veterinary and medicines	0.70	0.62	0.56	0.68
Dairy livestock costs	1.92	1.39	1.23	1.50
Allocatable contracting	0.30	0.16	0.11	0.20
Net leased quota	-0.09	0.00	0.00	0.00
Total variable costs	7.85	6.38	5.81	6.73
Herd replacement cost	1.77	0.75	0.41	1.10
Forage costs				
Fertilisers, seeds and sprays	0.45	0.89	0.74	1.08
Forage contracting	0.62	0.48	0.32	0.69
Grass keep	0.19	0.17	0.12	0.24
Other forage costs	0.09	0.11	0.08	0.23
Total forage costs	1.35	1.65	1.25	2.24
Overhead costs				
Paid labour	1.34	0.79	0.51	0.90
Machinery - repairs	0.77	0.48	0.41	0.57
- fuel	0.61	0.41	0.37	0.47
- other contract and hire	0.03	0.11	0.10	0.11
- depreciation	0.71	0.76	0.72	0.85
Property - repairs	0.34	0.40	0.27	0.51
- water	0.10	0.12	0.09	0.16
- depreciation	1.03	0.61	0.48	0.78
Other - general farm costs	0.72	0.57	0.51	0.71
- insurances	0.34	0.27	0.23	0.31
Rent and finance - rent	0.66	0.32	0.19	0.38
- bank interest	0.83	0.55	0.18	1.00
- bank charges	0.06	0.05	0.05	0.08
- other interest	0.08	0.12	0.08	0.20
- loss on sale of machinery	0.00	-0.01	-0.01	0.00
Total overhead costs	7.62	5.55	4.18	7.02
Total cost of production	18.60	14.34	11.66	17.09
Dairy enterprise output				
Milk output	22.07	17.15	17.33	16.82
Calf output	1.01	0.91	1.04	0.88
Miscellaneous output	0.00	0.00	0.01	0.00
By-products	-0.27	0.24	0.29	0.20
Total enterprise output	22.82	18.30	18.67	17.91
Enterprise gross margin (excl. overheads)	11.84	9.52	11.20	7.84
Enterprise net margin (incl. overheads)	4.22	3.97	7.02	0.82
Enterprise net margin (£/ha)	471	565	1057	103
Value of farm family's own resources				
Own/spouse labour	1.06	1.28	1.27	1.49
Other unpaid labour	0.60	0.53	0.70	0.38
Rental value of owner-occupied land	2.43	2.73	2.74	2.85
Interest on tenant's capital less bank interest	0.64	0.87	1.53	0.13
Total own resources	4.72	5.41	6.24	4.85
Enterprise net margin incl. own resources	-0.50	-1.44	0.77	-4.03
Support payments				
Agri-environment payments	0.55	0.32	0.24	0.38
Organic Aid	0.68	0.00	0.00	0.00
Single Payment Scheme	3.40	3.56	3.83	3.24
Total support payments	4.63	3.88	4.07	3.63
Enterprise net margin (NM) including own resources (OR) and support payments (SP)	4.12	2.44	4.85	-0.40
Enterprise NM incl. OR & SP (£/ha)	460	347	730	-51

* Sorted by net margin/kg

Table 17 Benchmark costs of production (p/kg LW) for Welsh suckler store production, 2006/07

	ORGANIC			CONVENTIONAL		
	Average	Top 33%*	Bottom 33%*	Average	Top 33%*	Bottom 33%*
Number of herds	22	7	7	47	16	16
Farm size ESU	29	39	40	34	40	47
Farm size - eff ha	132	104	124	118	110	132
Farm size - forage ha	127	102	123	113	108	127
Total Grazing LU	107	117	107	117	135	150
Stocking rate - all GLU/ha	0.92	1.04	0.87	1.20	1.09	1.18
Herd size - numbers	36	34	26	40	42	40
Percentage Beef LU to Total GLU	27	29	31	35	31	28
Variable costs	All values below p per kg live weight unless otherwise indicated					
Purchased concentrates	11.0	3.3	25.4	10.2	5.8	13.7
Home grown concentrates	1.4	0.0	3.8	0.2	0.0	0.7
Coarse fodder, tack and grass keep	2.2	0.0	5.7	4.2	1.1	9.2
Veterinary and medicines	10.0	4.9	15.9	10.0	7.0	14.1
Other livestock costs	25.2	9.2	41.3	15.7	9.0	23.4
Allocatable contracting	1.2	0.9	0.9	0.6	0.3	0.7
Total variable costs	50.9	18.3	93.0	40.8	23.3	61.9
Herd replacement cost	17.4	10.8	24.3	14.1	6.0	26.3
Forage costs (allocated on an LU basis)						
Fertilisers, seeds and sprays	7.3	4.3	6.8	18.8	16.4	23.4
Forage contracting	11.8	6.7	24.8	4.7	4.0	4.5
Grass keep	2.5	2.1	1.5	4.1	2.4	3.6
Other forage costs	3.3	5.0	1.9	2.2	2.4	2.5
Total forage costs	24.9	18.1	35.0	29.8	25.1	33.9
Fixed costs (allocated on an LU basis)						
Paid labour	9.4	1.6	11.2	8.1	4.8	15.9
Machinery - repairs	13.7	6.1	25.0	10.2	7.6	13.1
- fuel	15.7	9.4	24.9	11.4	8.8	14.5
- other contract and hire	4.3	3.0	7.6	1.6	0.9	1.0
- depreciation	31.6	15.4	57.4	22.9	18.7	25.2
Property - repairs	14.3	4.3	30.5	6.6	5.0	6.3
- water	1.5	0.4	3.5	0.8	0.8	0.6
- depreciation	14.4	5.3	29.5	10.4	4.6	13.5
Other - general farm costs	24.6	13.9	45.8	12.0	11.1	12.3
- insurances	15.8	10.0	29.1	7.7	6.8	8.4
Rent and finance - rent	7.7	6.6	10.0	6.0	4.2	10.2
- bank interest	6.4	1.0	6.6	2.7	1.6	4.8
- bank charges	1.7	0.6	3.8	1.0	0.6	1.4
- other interest	8.5	3.6	13.3	1.4	0.6	3.0
Total fixed costs	169.5	81.1	298.0	102.8	76.1	130.2
Total cost of production	262.7	128.2	450.4	187.5	130.5	252.3

* sorted by Net Margin/kg

Table 17 (cont.)

	ORGANIC			CONVENTIONAL		
	Average	Top 33%*	Bottom 33%*	Average	Top 33%*	Bottom 33%*
Kg beef produced (weaned calves)	9054	8521	3570	10,654	9,403	8,062
Kg beef per cow (weaned calves)	248	252	138	268	227	203
Kg beef per ha (weaned calves)	259	290	94	268	282	223
Breeding beef enterprise output						
Weaned calf output	107.1	107.2	107.3	106.9	108.2	105.8
Less calf purchases	2.1	0.0	4.1	0.9	0.3	2.1
By-products	8.9	7.4	15.4	14.7	19.5	18.7
Total enterprise output	118.1	114.6	126.8	122.4	128.0	126.6
Enterprise gross margin (excl. overheads)	24.9	67.5	-25.6	37.7	73.5	4.5
Enterprise net margin (incl. overheads)	-144.5	-13.5	-323.6	-65.1	-2.5	-125.7
Enterprise net margin (£/ha)	306	333	119	328	362	283
Value of farm family's own resources						
Own/spouse labour	89.9	85.5	149.4	51.3	47.8	51.8
Unpaid labour	17.2	13.4	28.6	11.9	17.5	8.2
Rental value of owner-occupied land	159.3	119.6	441.2	123.2	127.9	173.3
Interest at 6% on tenant's capital#	70.5	84.2	203.3	79.3	81.8	105.1
Total own resources	336.9	302.7	822.5	265.6	274.9	338.4
Enterprise net margin inc. own resources	-481.4	-316.3	-1,146.1	-330.7	-277.5	-464.2
Support payments						
Agri-environment payments	134.2	87.7	325.0	63.5	57.0	107.1
Organic Aid	58.4	33.0	141.3	0.0	0.0	0.0
Single Payment Scheme	278.4	262.3	557.2	255.1	235.5	390.6
Total support payments	471.0	383.1	1,023.4	318.6	292.5	497.7
Enterprise net margin (NM) including own resources (OR) and support payments (SP)	-10.3	66.8	-122.7	-12.1	15.0	33.6
Enterprise NM incl. OR & SP (£/ha)	-27	194	-116	-32	42	75

minus actual bank interest paid (see fixed costs)

Table 18 Benchmark costs of production (p/kg DW) for Welsh finished beef production, 2006/07

	ORGANIC			CONVENTIONAL		
	Average	Top 33%*	Bottom 33%*	Average	Top 33%*	Bottom 33%*
Number of herds	25	9	8	26	9	9
Farm size ESU	37	32	30	43	45	43
Farm size - eff ha	128	116	112	116	117	99
Farm size - forage ha	123	112	109	103	112	78
Stocking rate - all GLU/ha	0.93	1.03	0.90	1.30	1.40	1.47
Herd size - LU	43.88	54.95	28.33	54.60	51.83	57.80
Total Grazing LU	115.03	115.74	98.27	134.18	157.45	114.06
Percentage Beef LU to Total GLU	38.14	48.09	27.52	43.15	33.35	52.07
Variable costs	All values below p per kg dead weight unless otherwise indicated					
Purchased concentrates	54.4	8.2	85.6	38.3	36.8	37.8
Home grown concentrates	13.4	-0.4	20.2	13.5	4.8	19.1
Coarse fodder, tack and grass keep	3.1	0.1	6.1	0.6	0.1	1.4
Veterinary and medicines	3.4	-0.1	2.6	6.4	5.3	6.7
Other livestock costs	40.4	38.6	50.0	31.9	22.5	38.6
Allocatable contracting	0.6	0.2	0.0	0.8	0.9	1.5
Total variable costs	115.3	46.7	164.5	91.6	70.4	105.2
Forage costs						
Fertilisers, seeds and sprays	10.1	1.9	11.3	30.9	21.5	41.1
Forage contracting	8.2	3.1	16.3	9.3	5.8	14.1
Grass keep	1.9	-0.4	4.4	5.7	5.1	10.6
Other forage costs	6.3	8.6	4.6	2.4	1.9	2.4
Total forage costs	26.4	13.2	36.6	48.3	34.3	68.1
Fixed costs						
Paid labour	11.6	-2.4	19.1	15.7	7.0	26.2
Machinery - repairs	21.7	20.2	25.6	13.7	10.1	15.8
- fuel	26.7	16.1	39.3	17.2	11.9	24.1
- other contract and hire	5.2	4.5	7.6	2.7	1.4	3.3
- depreciation	48.9	28.5	73.4	34.4	25.5	51.6
Property - repairs	18.9	8.4	34.7	9.7	5.8	15.7
- water	2.3	2.2	3.0	2.7	1.3	4.1
- depreciation	18.1	15.6	20.5	15.7	8.7	25.3
Other - general farm costs	32.1	21.7	49.9	18.1	15.5	22.7
- insurances	20.4	14.4	31.5	13.1	9.4	17.6
Rent and finance - rent	22.2	1.7	48.8	10.0	6.4	16.2
- bank interest	8.8	2.2	15.0	8.8	1.8	16.7
- bank charges	2.4	0.6	4.4	1.6	1.1	2.3
- other interest	9.5	7.8	20.2	0.5	0.0	0.9
Total fixed costs	248.9	141.5	392.8	163.9	105.7	242.5
Total cost of production	390.6	201.4	593.9	303.8	210.3	415.8

* sorted by Net Margin/kg

Table 18 (cont.)

	ORGANIC			CONVENTIONAL		
	Average	Top 33%*	Bottom 33%*	Average	Top 33%*	Bottom 33%*
Average finished weight (kg)	238	209	228	314	310	317
Kg beef produced	4512	2894	2618	9686	10438	8332
Average finished price (£)	766	785	652	667	659	676
Finished price per kg (£)	3.22	3.76	2.86	2.12	2.13	2.13
Kg beef per ha	96.10	53.58	87.13	217.31	279.08	206.47
Trading beef enterprise output						
Fat cattle sold	372.4	322.2	405.0	419.0	336.7	504.4
Cattle transferred out	37.1	17.5	56.6	12.9	17.3	6.2
Store cattle sold	135.3	205.7	157.1	1.1	0.0	3.3
Killed for home consumption	0.0	0.0	0.0	0.0	0.0	0.0
Cattle valuation change	-21.5	-84.7	20.5	24.2	30.8	16.5
By-products	16.2	26.4	22.4	41.1	9.8	85.2
Less cattle purchased	26.1	14.2	47.4	190.8	61.6	317.1
Less cattle transferred in	173.3	112.2	302.4	66.7	114.6	15.2
Total enterprise output	340.1	360.7	311.8	240.9	218.5	283.3
Enterprise gross margin (excl. FC)	198.4	300.8	110.8	101.0	113.8	109.9
Enterprise net margin (incl. FC)	-50.4	159.3	-282.0	-62.9	8.1	-132.5
Enterprise net margin (£/ha)	-48	85	-246	-137	23	-274
Value of farm family's own resources						
Farmer/spouse labour	116.3	87.6	189.7	66.7	55.6	90.6
Unpaid labour	31.9	37.2	26.6	24.6	21.0	28.0
Rental value of owner-occupied land	294.3	479.1	395.5	135.3	127.5	145.2
Interest at 6% on tenant's capital#	141.2	165.7	216.7	93.1	94.7	108.6
Total own resources	583.7	769.6	828.4	319.8	298.8	372.4
Enterprise net margin inc. own resources	-634.1	-610.3	-1,110.5	-382.7	-290.6	-505.0
Support payments						
Agri-environment payments	267.9	399.0	358.5	45.5	33.0	39.0
Organic Aid	117.6	130.9	132.5	0.0	0.0	0.0
Single Payment Scheme	550.6	884.4	792.5	298.2	273.9	311.1
Total support payments	936.0	1,414.3	1,283.6	343.7	306.9	350.1
Enterprise net margin (NM) including own resources (OR) and support	301.9	804.0	173.1	-39.0	16.2	-154.9
Enterprise NM incl. OR & SP (£/ha)	290	431	151	-85	45	-320

minus actual bank interest paid (see fixed costs)

Table 19 Benchmark costs of production (p/kg DW) for Welsh lamb production, 2006/07

	ORGANIC			CONVENTIONAL		
	Average	Top 33%*	Bottom 33%*	Average	Top 33%*	Bottom 33%*
Number of flocks	19	6	6	73	24	24
Farm size ESU	39	49	34	46	50	51
Farm size - eff ha	135	99	156	137	119	165
Farm size - forage ha	131	90	152	135	116	164
Stocking rate - all GLU/ha	0.86	1.40	0.64	1.06	1.28	0.95
Flock size - ewes and ewe lambs put to ram -	492	309	539	772	648	1,003
Percentage Sheep LU to Total GLU	45%	29%	53%	56%	44%	67%
Variable costs	All values below p per kg dead weight unless otherwise indicated					
Purchased concentrates	32.5	19.6	46.1	42.5	38.9	46.6
Home grown concentrates	3.8	8.2	3.9	0.5	0.6	0.5
Coarse fodder, tack and grass keep	6.3	2.1	6.9	11.1	2.9	22.6
Veterinary and medicines	12.4	10.5	14.1	14.4	13.2	16.0
Other livestock costs	22.4	23.1	23.8	20.2	17.7	22.9
Allocatable contracting	0.5	0.0	1.0	0.6	0.8	0.5
Total variable costs	77.9	63.5	95.7	89.4	74.1	109.1
Flock replacement cost	39.3	15.2	60.2	28.5	22.7	32.4
Forage costs						
Fertilisers, seeds and sprays	9.7	12.5	8.2	21.2	20.7	23.8
Forage contracting	5.3	1.5	6.7	5.9	4.0	5.9
Grass keep	2.4	1.0	0.0	5.7	4.4	10.2
Other forage costs	3.6	7.7	1.8	1.7	1.5	2.0
Total forage costs	21.0	22.7	16.7	34.5	30.5	42.0
Fixed costs						
Paid labour	12.6	8.6	18.1	8.5	5.7	13.5
Machinery - repairs	13.9	9.1	18.7	11.3	8.7	14.2
- fuel	19.9	16.1	25.5	14.5	12.2	17.4
- other contract and hire	4.5	1.1	4.7	1.9	1.6	2.2
- depreciation	36.8	25.9	50.6	30.9	29.3	34.3
Property - repairs	13.2	5.9	19.7	9.0	8.8	10.3
- water	1.0	1.1	1.2	1.3	1.4	1.4
- depreciation	15.0	9.0	23.0	13.0	10.5	17.9
Other - general farm costs	23.0	14.4	30.8	15.4	13.0	18.3
- insurances	15.2	8.7	23.2	9.5	7.2	10.3
Rent and finance - rent	17.1	10.3	32.5	12.4	6.1	20.4
- bank interest	10.2	2.9	15.8	6.6	4.1	11.4
- bank charges	1.9	1.3	3.3	1.4	0.9	2.5
- other interest	10.7	0.8	23.4	1.5	1.0	2.2
- loss on machinery sales	1.9	-0.2	3.6	0.2	0.5	0.3
Total fixed costs	197.1	115.0	294.1	137.5	111.1	176.7
Total cost of production	335.2	216.5	466.7	289.9	238.5	360.2

* sorted by Net Margin/kg

Table 19 (cont.)

	ORGANIC			CONVENTIONAL		
	Average	Top 33%*	Bottom 33%*	Average	Top 33%*	Bottom 33%*
Kg lamb produced	9804	8942	9363	17342	17885	19223
Kg lamb per ha	169	343	116	228	349	175
Lambs reared per ewe	1.24	1.52	1.12	1.27	1.42	1.18
Kg lamb produced per ewe	22.4	30.0	19.0	23.0	26.9	19.9
Average finished lamb weight (kg)	17.6	18.9	16.7	17.9	18.9	16.8
Average finished lamb price (£)	51.43	65.07	44.24	40.88	46.18	36.51
Averaged finished price per kg (£)	2.92	3.44	2.64	2.28	2.44	2.17
Lamb enterprise output						
Finished lambs sold	232.6	324.3	166.0	188.7	223.7	164.1
Lambs transferred out	40.0	20.6	49.2	38.3	24.9	51.5
Store lambs sold	6.0	0.0	18.6	1.9	4.0	0.3
Killed for home consumption	1.1	0.0	1.2	0.1	0.0	0.0
Lamb valuation change	2.1	-1.7	6.2	-0.4	-3.9	1.7
Less lambs purchased	1.2	3.8	0.0	0.4	0.9	0.1
Total lamb output	280.6	339.4	241.2	228.1	247.8	217.5
Other by-products	6.5	17.1	3.5	2.9	3.7	3.6
Wool	5.5	5.1	6.2	5.0	4.7	4.9
Mark & Release receipts	0.5	0.0	0.0	0.8	0.0	2.4
Total by-products	12.6	22.3	9.7	8.7	8.3	11.0
Total enterprise output	293.2	361.7	250.9	236.8	256.1	228.4
Enterprise gross margin (excl. FC)	155.0	260.2	78.3	84.4	128.7	44.9
Enterprise net margin (incl. FC)	-42.0	145.2	-215.8	-53.0	17.7	-131.8
Enterprise net margin (£/ha)	-71	498	-249	-121	62	-230
Value of farm family's own resources						
Farmer/spouse labour	89.9	51.5	111.8	70.3	63.4	70.5
Other unpaid labour	15.8	26.3	6.4	17.5	16.5	18.7
Rental value of owner-occupied land	143.0	160.7	173.5	84.7	92.6	75.9
Interest at 6% on tenant's capital#	62.9	107.7	45.7	44.0	50.9	33.2
Total own resources	311.6	346.3	337.4	216.6	223.4	198.3
Enterprise net margin inc. own resources	-353.6	-201.1	-553.2	-269.6	-205.7	-330.1
Support payments						
Agri-environment payments	132.9	72.3	189.0	53.3	30.8	71.2
Organic Aid	56.5	47.3	54.9	0.0	0.0	0.0
Single Payment Scheme	245.5	224.2	264.8	163.2	150.4	163.2
Total support payments	434.9	343.8	508.7	216.6	181.2	234.4
Enterprise net margin (NM) including own resources (OR) and support	81.3	142.7	-44.5	-53.1	-24.5	-95.7
Enterprise NM incl. OR & SP (£/ha)	137	490	-51	-121	-86	-167

minus actual bank interest paid (see fixed costs)

For the finishing beef enterprises recorded, the margin of production including imputed costs is negative but by a greater amount than for stores, averaging minus 634 p/kg deadweight (DW) for all herds, and minus 610 p/kg DW for the top third group. Again this deficit is offset by the single farm payment and other support payment income: the average margin including support payments was 301 p/kg DW, reflecting the substantial reliance on support payments for overall farm income. When compared with conventional production the organic samples shows considerably higher output and lower forage costs, while variable and fixed costs are higher. Overall net margin is much higher due mainly to greater support payments per kg.

5.4 Lamb enterprise production costs

The costs of production data for lamb production (Table 19, above) are taken from 19 farms in 2006/07 and conventional results for the same period are shown for comparison.

The top third producers (highest net margin per kg of production) tend to have smaller flocks on smaller area farms, but with higher stocking rates, and considerably lower fixed costs. Overall, the top performers had lower variable, forage and fixed costs as well as imputed costs giving rise to a greater margin of production. The lower costs of production for this top third group can be partly explained by more kilograms of lamb produced per ewe, which dilutes costs on a p/kg deadweight basis.

The margin of production including imputed costs, which reflect the value of the farmer's own land, labour and working capital, indicates that both the average and top third groups had a negative overall margin of production for lamb production, at minus 353p/kg dw. However, with the inclusion of the single farm payment and other area payments, the margin of production was 81.3p per kg dw for the average group and 142.7p per kg dw for the top third group in 2006/07. In comparison with conventional net margin organic output was higher, variable and forage costs were lower, fixed costs higher. Overall net margin was considerably higher than conventional due to the greater support payments/kg.

6. Appendices

Appendix 1 Detailed farm results

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Table A1.1 CROPPING FARM RESULTS		ORGANIC			
		<i>Full sample</i>			
OUTPUTS AND INPUTS		2005/06		2006/07	
Sample number		14		15	
Average farm size (UAA)		183		168	
Business size (ESU)		153		90	
OUTPUTS		£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	488	3	0	0
	cattle	551	3	0	0
	net quota	464	3	0	0
	valuation change	-600	-3	0	0
Other cattle	output	8180	45	25381	151
	valuation change	-2110	-12	14	0
Sheep -	total output	6796	37	2236	13
	valuation change	-571	-3	-102	-1
Other livestock		15895	87	3224	19
Arable crops	output	155365	850	83111	496
	protein/energy support	241	1	239	1
By products forage and cults		9921	54	6140	37
Miscellaneous (incl. farmhouse benefit value)		30614	168	30714	183
	- organic grants	3602	20	1146	7
	- other agri-env.payments	5125	28	17459	104
	- subsidy/single farm payment	33610	184	35755	213
	FARM REVENUE	267570	1464	205316	1225
INPUTS					
Feeds	purchased concentrates	6548	36	2552	15
	homegrown concentrates	997	5	3383	20
Purchased fodder, Tack and stock keep		450	2	349	2
Veterinary and medicines		687	4	814	5
Other livestock costs		2592	14	5986	36
Seeds -	purchased and homegrown	11117	61	11188	67
Fertilisers		4700	26	1467	9
Crop protection		7581	41	888	5
Other crop costs		22693	124	3434	20
Labour	paid incl. paid management	18668	102	23829	142
	casual	1223	7	1543	9
Machinery	contract	15298	84	13884	83
	repairs	13208	72	7491	45
	fuels	10264	56	7338	44
General farming costs		13847	76	16253	97
Land expenses		4939	27	13049	78
Rent		24624	135	15992	95
	FARM EXPENSES	159437	872	129437	772
Excess of expenses over revenue		108133	592	75880	453
Notional inputs					
	- rental value/imputed rent	15927	87	13791	82
	- unpaid labour	6367	35	1812	11
	- machinery depreciation	22385	122	14933	89
		44679	244	30536	182
NET FARM INCOME (excl. BLSA)		63454	347	45344	271
NET FARM INCOME (incl. BLSA)		63283	346	46324	276

Table A1.1 CROPPING FARM RESULTS OUTPUTS AND INPUTS		CONVENTIONAL			
		<i>Full sample</i>			
		2005/06		2006/07	
Sample number		111		100	
Average farm size (UAA)		167		153	
Business size (ESU)		140		91	
OUTPUTS		£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	0	0	0	0
	cattle	0	0	0	0
	net quota	0	0	0	0
	valuation change	0	0	0	0
Other cattle	output	6137	37	6685	44
	valuation change	-840	-5	653	4
Sheep -	total output	2218	13	1962	13
	valuation change	85	1	825	5
Other livestock		3545	21	1315	9
Arable crops	output	124257	746	71917	470
	protein/energy support	73	0	1407	1
By products forage and cults		7519	45	6427	42
Miscellaneous (incl. farmhouse benefit value)		26996	162	24744	162
	- organic grants	0	0	0	0
	- other agri-env.payments	3242	19	6622	43
	- single payment scheme	30643	184	28519	195
	FARM REVENUE	203874	1224	151077	986
INPUTS					
Feeds	purchased concentrates	2221	13	2527	16
	homegrown concentrates	1214	7	1068	7
Purchased fodder, Tack and stock keep		168	1	78	1
Veterinary and medicines		585	4	639	4
Other livestock costs		1343	8	1909	12
Seeds -	purchased and homegrown	10275	62	5339	35
Fertilisers		11266	68	10569	69
Crop protection		17011	102	10812	71
Other crop costs		8794	53	4523	30
Labour	paid incl. paid management	19624	118	6737	44
	casual	3928	24	1568	10
Machinery	contract	9628	58	8393	55
	repairs	9287	56	5947	39
	fuels	7717	46	4978	33
General farming costs		18764	113	12023	78
Land expenses		3280	20	4203	27
Rent		11484	69	7074	46
	FARM EXPENSES	136587	820	88386	577
Excess of expenses over revenue		67287	404	62691	409
Notional inputs					
	- rental value/imputed rent	26348	158	22858	149
	- unpaid labour	2782	17	4907	32
	- machinery depreciation	15190	91	11837	77
		44320	266	39602	259
NET FARM INCOME (excl. BLSA)		22951	138	23089	151
NET FARM INCOME (incl. BLSA)		22975	138	23293	152

Table A1.2 CROPPING FARM RESULTS **ORGANIC**
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Full sample</i>			
	2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	63454	347	45344	271
plus unpaid labour (excludes farmer and spouse)	6367	35	1812	11
plus imputed rent and rental value	11738	64	13441	80
plus semi-integrated non-agric activities output	1383	8	1518	9
plus farm business assets - sale and profit	0	0	0	0
minus imputed rent on farmhouse & farm cottages	3765	21	6768	40
minus insurance repairs & net interest payments	2658	15	1921	11
minus build & works depreciation	2418	13	3253	19
minus semi-integrated non-agric activities costs	691	4	1456	9
FARM BUSINESS INCOME	73409	402	48717	291
LABOUR USE AND LABOUR INCOMES				
Annual Labour Units per farm	2.6		2.7	
of which farmer & spouse	1.4		1.2	
of which paid family labour	0.2		0.1	
of which unpaid labour	0.4		0.1	
Notional value of farmer/spouse labour	15229		18378	
Value of paid family labour	2421		1089	
Labour income per Annual Labour Unit	30594		23770	
Family labour income per Family Work Unit	34803		30102	
Value of paid managerial input	0		0	
TENANT'S CAPITAL - £ per farm				
Machinery	117007	640	74012	442
Livestock	22582	124	35123	210
Crops	25777	141	27520	164
Stores	11954	65	8576	51
TOTAL	177320	970	145230	867
ASSETS - £ per farm				
	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	403477	416259	510440	557079
Buildings, improvements and fixtures	9299	10481	15325	14601
Machinery	116037	117977	72958	75065
Livestock	23782	21382	34601	35644
Produce and goods in store	37687	38015	60030	46327
Quotas and single payment asset value	73834	67012	79764	67139
Credit balances	48643	76156	69986	84609
TOTAL	712759	747282	843103	880465
EXTERNAL LIABILITIES				
Long and medium term loans	16429	16536	21182	19898
Short term loans	25479	20289	23805	21760
Overdrafts	18718	18854	28055	22112
TOTAL	60625	55679	73041	63770
NET WORTH	652134	691604	770062	816695
RETURNS TO CAPITAL				
Owner Equity (%)	92.5		92.8	
FBI/Net worth (%)	11.3		6.3	
Management and Investment Income	48055		27946	
Return on tenant's capital (%)	27.1		19.2	
Return on all capital (%)	6.7		3.3	

Table A1.2 CROPPING FARM RESULTS **CONVENTIONAL**
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Full sample</i>			
	2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	22951	138	23089	151
plus unpaid labour (excludes farmer and spouse)	2782	17	4907	32
plus imputed rent and rental value	25090	151	22520	147
plus semi-integrated non-agric activities output	149	1	52	0
plus farm business assets - sale and profit	991	6	4875	32
minus imputed rent on farmhouse & farm cottages	3815	23	5356	35
minus insurance repairs & net interest payments	3808	23	3842	25
minus build & works depreciation	8741	52	4033	26
minus semi-integrated non-agric activities costs	120	1	17	0
FARM BUSINESS INCOME	35477	213	42193	275
LABOUR USE AND LABOUR INCOMES				
Annual Labour Units per farm	2.5		1.7	
of which farmer & spouse	1.1		0.9	
of which paid family labour	0.1		0.0	
of which unpaid labour	0.2		0.3	
Notional value of farmer/spouse labour	16732		15154	
Value of paid family labour	959		556	
Labour income per Annual Labour Unit	15909		16556	
Family labour income per Family Work Unit	13382		16309	
Value of paid managerial input	810		38	
TENANT'S CAPITAL - £ per farm				
Machinery	79961	480	62756	410
Livestock	14453	87	16646	109
Crops	27161	163	35393	231
Stores	23951	144	17035	111
TOTAL	145527	873	131828	861
ASSETS - £ per farm				
	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	587027	615422	640374	707732
Buildings, improvements and fixtures	39931	45769	21635	22007
Machinery	81960	77963	62491	63020
Livestock	14715	14191	15745	17546
Produce and goods in store	53248	49136	69528	69381
Quotas and single payment asset value	74594	68027	63829	56746
Credit balances	69157	74668	40125	46400
TOTAL	920632	945175	913727	982832
EXTERNAL LIABILITIES				
Long and medium term loans	37538	43740	24223	25518
Short term loans	28505	25223	21305	19276
Overdrafts	22833	37549	25984	25194
TOTAL	88876	106513	71513	69988
NET WORTH	831772	838677	842646	913276
RETURNS TO CAPITAL				
Owner Equity (%)	88.7		92.9	
FBI/Net worth (%)	4.3		5.0	
Management and Investment Income	7052		8177	
Return on tenant's capital (%)	4.8		6.2	
Return on all capital (%)	0.8		0.9	

Table A1.3 Cropping Farm Results
LAND UTILISATION AND CROP PERFORMANCE

ORGANIC

LAND UTILISATION - hectares per farm		<i>Full sample</i>	
		2005/06	2006/07
Tillage - maincrops	Wheat	51.9	31.1
	Barley	17.0	10.3
	Other cereals	3.9	15.2
	Oil seed rape	6.5	0.0
	Linseed	0.0	0.0
	Peas/Beans	14.5	13.5
	Potatoes	5.6	3.9
	Sugarbeet	5.0	1.3
	Horticulture	7.4	0.9
	Other crops	1.1	1.0
	Total cropping	112.8	77.2
	Set-aside	11.5	3.7
Tillage - fodder		0.0	4.3
Grassland	Grazing, hay and silage	39.3	62.9
Fallow and land let		19.1	19.6
Rough grazing	Effective	0.0	0.0
Utilisable agricultural area (Effective ha.)		182.7	167.6
Woods, roads and buildings		6.7	4.3
TOTAL AREA (Actual ha.)		189.4	171.9
effective forage area		39.3	68.8
Bare land and forage hired in		0.0	1.6
CROP PERFORMANCE -Yields (tonnes per hectare)*			
	Wheat	5.0	4.3
	Barley	3.1	3.8
	Oilseed Rape	2.8	0.0
	Potatoes	34.7	20.8
	Sugar Beet	54.9	64.4
- Prices (£ per tonne)*			
	Wheat	126	183
	Barley	117	159
	Oilseed Rape	139	0
	Potatoes	145	243
	Sugar Beet	32	27

* Yield and price data is implied

Table A1.3 Cropping Farm Results

CONVENTIONAL

LAND UTILISATION AND CROP PERFORMANCE

		<i>Full sample</i>	
LAND UTILISATION - hectares per farm		2005/06	2006/07
Tillage - maincrops	Wheat	56.5	45.2
	Barley	14.3	16.8
	Other cereals	1.8	5.7
	Oil seed rape	9.4	9.1
	Linseed	2.3	1.1
	Peas/Beans	4.3	4.8
	Potatoes	8.4	1.5
	Sugarbeet	10.7	5.3
	Horticulture	1.7	0.9
	Other crops	0.8	0.7
	Total cropping	110.2	91.3
	Set-aside	17.2	13.2
Tillage - fodder		0.7	0.4
Grassland	Grazing, hay and silage	22.7	22.6
Fallow and land let		14.6	24.4
Rough grazing	Effective	1.2	1.4
Utilisable agricultural area (Effective ha.)		166.6	153.2
Woods, roads and buildings		6.5	9.3
TOTAL AREA (Actual ha.)		173.1	162.5
effective forage area		26.4	26.9
Bare land and forage hired in		2.4	2.6
CROP PERFORMANCE - Yields (tonnes per hectare)*			
	Wheat	8.0	7.7
	Barley	5.7	6.3
	Oilseed Rape	3.4	3.0
	Potatoes	36.4	40.4
	Sugar Beet	57.7	53.7
- Prices (£ per tonne)*			
	Wheat	67	87
	Barley	68	84
	Oilseed Rape	145	214
	Potatoes	118	163
	Sugar Beet	31	0

* Yield and price data is implied

Table A1.4 Cropping Farm Results
STOCKING AND LIVESTOCK PERFORMANCE

ORGANIC

LIVESTOCK CARRIED - L.U. per farm	<i>Full sample</i>			
	2005/06		2006/07	
	LU	No's	LU	No's
Dairy cows	0.6	1	0.0	0
Beef cows	4.8	6	17.8	24
Other cattle	11.3	19	30.0	56
Breeding sheep	7.7	90	2.6	25
Other sheep	1.8	45	1.3	33
Pigs	1.2	34	4.7	28
Poultry	2.0	239	0.1	10
Other livestock	0.0	9	0.0	1
TOTAL (L.U.)	29.6		56.6	

STOCKING RATES

Stocking rate (LU per eff.ha)	0.2	0.3
GLU/forage effective hectare*	0.8	0.8

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*

Dairy cows (litres)	4078	0
Dairy cows	291	0
Dairy calves	0	0
Dairy heifers in calf	0	0
Beef heifers in calf	606	0
Fat cattle	651	805
Beef store cattle 1-2 yrs	475	635
Beef stores <1 yr	192	248
Ewes	58	37
Ewe hogs	0	0
Fat lambs	52	51
Store lambs	0	0
Fat Pigs	114	105
Milk (pence per litre)	18.6	0.0
Wool (pence per kg)	58.2	51.6

* Price data is implied

Table A1.4 Cropping Farm Results
STOCKING AND LIVESTOCK PERFORMANCE

CONVENTIONAL

LIVESTOCK CARRIED - L.U. per farm	<i>Full sample</i>			
	2005/06		2006/07	
	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0
Beef cows	5.5	7	5.8	8
Other cattle	11.7	21	11.2	22
Breeding sheep	4.6	45	5.7	56
Other sheep	1.1	26	1.5	37
Pigs	0.0	0	3.7	22
Poultry	3.8	223	0.1	6
Other livestock	0.0	1	0.0	0
TOTAL (L.U.)	26.7		27.9	

STOCKING RATES

Stocking rate (LU per eff.ha)	0.2	0.2
GLU/forage effective hectare*	1.0	1.0

* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*

Dairy cows (litres)	0	0
Dairy cows	0	0
Dairy calves	0	0
Dairy heifers in calf	0	0
Beef heifers in calf	600	995
Fat cattle	605	626
Beef store cattle 1-2 yrs	497	554
Beef stores <1 yr	190	357
Ewes	46	46
Ewe hoggs	84	72
Fat lambs	48	49
Store lambs	35	38
Fat Pigs	0	71
Milk (pence per litre)	0.0	0.0
Wool (pence per kg)	57.0	46.5

* Price data is implied

Table A2.1 HORTICULTURE RESULTS

ORGANIC

OUTPUTS AND INPUTS

		<i>Full sample</i>			
		2005/06		2006/07	
Sample number		8		8	
Average farm size (UAA)		33		23	
Business size (ESU)		246		156	
OUTPUTS		£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	0	0	0	0
	cattle	0	0	0	0
	net quota	0	0	0	0
	valuation change	0	0	0	0
Other cattle	output	1688	51	2188	97
	valuation change	540	16	-766	-34
Sheep -	total output	0	0	836	37
	valuation change	0	0	13	1
Other livestock		0	0	6441	285
Arable crops	output	467325	14226	87829	3883
	protein/energy support	0	0	0	0
By products forage and cults		2220	68	9844	435
Miscellaneous (incl. farmhouse benefit value)		10858	331	22088	976
	- organic grants	0	0	183	8
	- other agri-env.payments	10133	308	292	13
	- subsidy/single farm paymer	507	15	1481	65
	FARM REVENUE	493270	15016	130427	5766
INPUTS					
Feeds	purchased concentrates	119	4	5207	230
	homegrown concentrates	0	0	0	0
Purchased fodder, Tack and stock keep		0	0	78	3
Veterinary and medicines		115	3	111	5
Other livestock costs		627	19	1417	63
Seeds -	purchased and homegrown	45063	1372	4537	201
Fertilisers		14269	434	4009	177
Crop protection		8168	249	1187	52
Other crop costs		177234	5395	7390	327
Labour	paid incl. paid management	22365	681	21041	930
	casual	23464	714	8613	381
Machinery	contract	14044	428	481	21
	repairs	15057	458	8304	367
	fuels	7590	231	2236	99
General farming costs		17933	546	10535	466
Land expenses		1321	40	7378	326
Rent		28556	869	756	33
	FARM EXPENSES	375926	11444	83281	3682
Excess of expenses over revenue		117345	3572	47146	2084
Notional inputs					
	- rental value/imputed rent	6713	204	10681	472
	- unpaid labour	6900	210	2664	118
	- machinery depreciation	14672	447	8122	359
		28284	861	21466	949
NET FARM INCOME (excl. BLSA)		89060	2711	25681	1135
NET FARM INCOME (incl. BLSA)		89060	2711	25760	1139

Table A2.2 HORTICULTURE RESULTS **ORGANIC**
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Full sample</i>			
	2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	89060	2711	25681	1135
plus unpaid labour (excludes farmer and spouse)	6900	210	2664	118
plus imputed rent and rental value	5235	159	10316	456
plus semi-integrated non-agric activities output	0	0	0	0
plus farm business assets - sale and profit	0	0	0	0
minus imputed rent on farmhouse & farm cottages	1488	45	5790	256
minus insurance repairs & net interest payments	6914	210	3458	153
minus build & works depreciation	3464	105	2069	91
minus semi-integrated non-agric activities costs	0	0	0	0
FARM BUSINESS INCOME	89329	2719	27342	1209
LABOUR USE AND LABOUR INCOMES				
Annual Labour Units per farm	5.3		3.5	
of which farmer & spouse	1.5		1.1	
of which paid family labour	0.1		0.1	
of which unpaid labour	0.5		0.2	
Notional value of farmer/spouse labour	17805		17338	
Value of paid family labour	1210		1680	
Labour income per Annual Labour Unit	25727		15497	
Family labour income per Family Work Unit	52092		19300	
Value of paid managerial input	0		0	
TENANT'S CAPITAL - £ per farm				
Machinery	78302	2384	38334	1695
Livestock	2794	85	4606	204
Crops	6049	184	13947	617
Stores	8015	244	8130	359
TOTAL	95161	2897	65017	2874
ASSETS - £ per farm				
	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	67328	68569	243846	302510
Buildings, improvements and fixtures	45214	51795	23434	40952
Machinery	66862	89742	35214	41454
Livestock	2524	3064	4497	4715
Produce and goods in store	11908	16221	20061	34338
Quotas and single payment asset value	0	0	4845	4975
Credit balances	44739	71882	23795	35950
TOTAL	238575	301273	355693	464894
EXTERNAL LIABILITIES				
Long and medium term loans	25806	20468	26012	38344
Short term loans	16921	28525	15396	22562
Overdrafts	30390	31903	28781	31865
TOTAL	73117	80896	70189	92771
NET WORTH	167863	226005	285504	372123
RETURNS TO CAPITAL				
Owner Equity (%)	75.0		80.0	
FBI/Net worth (%)	53.2		9.6	
Management and Investment Income	71255		8422	
Return on tenant's capital (%)	74.9		13.0	
Return on all capital (%)	29.9		2.4	

Table A2.3 Horticulture results**ORGANIC****LAND UTILISATION AND CROP PERFORMANCE**

LAND UTILISATION - hectares per farm		<i>Full sample</i>	
		2005/06	2006/07
Tillage - maincrops	Wheat	0.0	1.7
	Barley	0.0	0.0
	Other cereals	0.0	0.0
	Oil seed rape	0.0	0.0
	Linseed	0.0	0.0
	Peas/Beans	0.0	0.0
	Potatoes	0.7	0.3
	Sugarbeet	0.0	0.0
	Horticulture	25.5	4.4
	Other crops	0.0	0.0
	Total cropping	26.3	6.4
	Set-aside	0.0	0.6
Tillage - fodder		0.0	0.0
Grassland	Grazing, hay and silage	6.6	12.9
Fallow and land let		0.0	2.7
Rough grazing	Effective	0.0	0.0
Utilisable agricultural area (Effective ha.)		32.9	22.6
Woods, roads and buildings		1.6	4.8
TOTAL AREA (Actual ha.)		34.5	27.5
effective forage area		6.6	12.9
Bare land and forage hired in		0.0	0.0
CROP PERFORMANCE - Yields (tonnes per hectare)*			
	Wheat	0.0	3.7
	Barley	0.0	0.0
	Oilseed Rape	0.0	0.0
	Potatoes	25.0	17.3
	Sugar Beet	0.0	0.0
- Prices (£ per tonne)*			
	Wheat	0	199
	Barley	0	0
	Oilseed Rape	0	0
	Potatoes	463	594
	Sugar Beet	0	0

* Yield and price data is implied

Table A2.4 Horticulture results
STOCKING AND LIVESTOCK PERFORMANCE

ORGANIC

LIVESTOCK CARRIED - L.U. per farm	<i>Full sample</i>			
	2005/06		2006/07	
	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0
Beef cows	2.3	3	2.5	3
Other cattle	2.5	6	1.7	3
Breeding sheep	0.1	2	1.1	10
Other sheep	0.0	0	0.4	11
Pigs	0.0	0	1.5	7
Poultry	0.0	0	3.4	199
Other livestock	0.0	0	0.0	0
TOTAL (L.U.)	5.0		10.7	

STOCKING RATES

Stocking rate (LU per eff.ha)	0.2	0.5
GLU/forage effective hectare*	0.8	0.8

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*

Dairy cows (litres)	0	0
Dairy cows	0	0
Dairy calves	0	0
Dairy heifers in calf	0	0
Beef heifers in calf	600	0
Fat cattle	923	700
Beef store cattle 1-2 yrs	500	0
Beef stores <1 yr	189	0
Ewes	0	0
Ewe hoggs	0	0
Fat lambs	0	55
Store lambs	0	0
Fat Pigs	0	90
Milk (pence per litre)	0.0	0.0
Wool (pence per kg)	0.0	50.0

* Price data is implied

Table A3.1 LFA DAIRY FARM RESULTS OUTPUTS AND INPUTS		ORGANIC			
		Full sample			
		2005/06		2006/07	
Sample number		5		6	
Average farm size (UAA)		103		90	
Business size (ESU)		89		76	
OUTPUTS		£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	88748	862	100868	1116
	cattle	-2340	-23	-1885	-21
	net quota	0	0	0	0
	valuation change	601	6	395	4
Other cattle	output	13531	131	12867	142
	valuation change	3351	33	1185	13
Sheep -	total output	7366	72	9029	100
	valuation change	171	2	200	2
Other livestock		0	0	0	0
Arable crops	output	1260	12	0	0
	protein/energy support	0	0	0	0
By products forage and cults		-144	-1	327	4
Miscellaneous (incl. farmhouse benefit value)		4458	43	7185	80
	- organic grants	2191	21	2308	26
	- other agri-env.payments	6510	63	7247	80
	- subsidy/single farm payment	11233	109	11360	126
	FARM REVENUE	136934	1330	151084	1672
INPUTS					
Feeds	purchased concentrates	30871	300	34846	386
	homegrown concentrates	3016	29	2567	28
Purchased fodder, Tack and stock keep		1571	15	715	8
Veterinary and medicines		3118	30	2643	29
Other livestock costs		7192	70	8363	93
Seeds -	purchased and homegrown	596	6	1158	13
Fertilisers		312	3	1477	16
Crop protection		0	0	24	0
Other crop costs		1243	12	1030	11
Labour	paid incl. paid management	2615	25	0	0
	casual	256	2	2468	27
Machinery	contract	5071	49	4056	45
	repairs	5173	50	4954	55
	fuels	4370	42	4361	48
General farming costs		9173	89	9799	108
Land expenses		2859	28	2518	28
Rent		3580	35	2983	33
	FARM EXPENSES	81015	787	83960	929
Excess of expenses over revenue		55920	543	67124	743
Notional inputs					
	- rental value/imputed rent	10195	99	11370	126
	- unpaid labour	16572	161	14309	158
	- machinery depreciation	9547	93	10279	114
		36315	353	35958	398
NET FARM INCOME (excl. BLSA)		19605	190	31166	345
NET FARM INCOME (incl. BLSA)		19605	190	34729	384

Table A3.1 LFA DAIRY FARM RESULTS		CONVENTIONAL			
		Full sample			
OUTPUTS AND INPUTS		2005/06		2006/07	
Sample number		25		23	
Average farm size (UAA)		100		83	
Business size (ESU)		92		78	
OUTPUTS		£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	73856	741	61011	731
	cattle	-3325	-33	-2523	-30
	net quota	84	1	0	0
	valuation change	1373	14	992	12
Other cattle	output	16707	168	12798	153
	valuation change	-593	-6	13	0
Sheep -	total output	18507	186	13511	162
	valuation change	-660	-7	-162	-2
Other livestock		0	0	3	0
Arable crops	output	995	10	628	8
	protein/energy support	0	0	0	0
By products forage and cults		1321	13	1296	16
Miscellaneous (incl. farmhouse benefit value)		5078	51	8253	99
	- organic grants	0	0	0	0
	- other agri-env.payments	3707	37	4007	48
	- single payment scheme	15195	152	14751	177
	FARM REVENUE	132245	1326	114580	1373
INPUTS					
Feeds	purchased concentrates	24614	247	20881	250
	homegrown concentrates	1756	18	1603	19
Purchased fodder, Tack and stock keep		1197	12	1567	19
Veterinary and medicines		4107	41	3609	43
Other livestock costs		9700	97	8406	101
Seeds -	purchased and homegrown	429	4	238	3
Fertilisers		6564	66	5595	67
Crop protection		307	3	270	3
Other crop costs		638	6	564	7
Labour	paid incl. paid management	6849	69	3709	44
	casual	863	9	2158	26
Machinery	contract	4407	44	4473	54
	repairs	4466	45	4252	51
	fuels	4554	46	3905	47
General farming costs		10471	105	10034	120
Land expenses		2469	25	3356	40
Rent		4526	45	3239	39
	FARM EXPENSES	87916	881	77859	933
Excess of expenses over revenue		44329	444	36721	440
Notional inputs					
	- rental value/imputed rent	13047	131	18736	225
	- unpaid labour	6430	64	4636	56
	- machinery depreciation	9232	93	8208	98
		28709	288	31580	378
NET FARM INCOME (excl. BLSA)		15621	157	5141	62
NET FARM INCOME (incl. BLSA)		14811	149	7632	91

Table A3.2 LFA DAIRY FARM RESULTS **ORGANIC**
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Identical sample</i>			
	2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	19605	190	31166	345
plus unpaid labour (excludes farmer and spouse)	16572	161	14309	158
plus imputed rent and rental value	8416	82	11370	126
plus semi-integrated non-agric activities output	0	0	0	0
plus farm business assets - sale and profit	0	0	0	0
minus imputed rent on farmhouse & farm cottages	1961	19	3745	41
minus insurance repairs & net interest payments	682	7	2313	26
minus build & works depreciation	3147	31	2262	25
minus semi-integrated non-agric activities costs	0	0	0	0
FARM BUSINESS INCOME	38803	377	48526	537
LABOUR USE AND LABOUR INCOMES				
Annual Labour Units per farm	2.4		2.2	
of which farmer & spouse	1.1		1.1	
of which paid family labour	0.1		0.0	
of which unpaid labour	1.1		0.9	
Notional value of farmer/spouse labour	14369		15943	
Value of paid family labour	1000		0	
Labour income per Annual Labour Unit	12974		17833	
Family labour income per Family Work Unit	10654		20536	
Value of paid managerial input	0		0	
TENANT'S CAPITAL - £ per farm				
Machinery	59653	579	63619	704
Livestock	71103	691	62982	697
Crops	4578	44	4177	46
Stores	931	9	1385	15
TOTAL	136265	1323	132163	1463
ASSETS - £ per farm				
	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	180163	180163	207211	207211
Buildings, improvements and fixtures	16938	14742	12235	11344
Machinery	56809	62496	59020	68217
Livestock	69042	73165	60311	65654
Produce and goods in store	5558	5460	8237	8373
Quotas and single payment asset value	82490	42520	62773	61485
Credit balances	18135	19281	10834	16172
TOTAL	429136	397826	420620	438455
EXTERNAL LIABILITIES				
Long and medium term loans	0	175	17146	17000
Short term loans	11123	15974	13680	15811
Overdrafts	2404	2357	6411	6623
TOTAL	13527	18505	37237	39434
NET WORTH	415609	379321	383383	399022
RETURNS TO CAPITAL				
Owner Equity (%)	95.3		91.0	
FBI/Net worth (%)	9.3		12.7	
Management and Investment Income	5235		18787	
Return on tenant's capital (%)	3.8		14.2	
Return on all capital (%)	1.2		4.5	

Table A3.2 LFA DAIRY FARM RESULTS **CONVENTIONAL**
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Identical sample</i>			
	2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	15621	157	5141	62
plus unpaid labour (excludes farmer and spouse)	6430	64	4636	56
plus imputed rent and rental value	13047	131	18736	225
plus semi-integrated non-agric activities output	0	0	0	0
plus farm business assets - sale and profit	0	0	0	0
minus imputed rent on farmhouse & farm cottages	3042	31	3658	44
minus insurance repairs & net interest payments	4237	42	4853	58
minus build & works depreciation	5013	50	3645	44
minus semi-integrated non-agric activities costs	0	0	0	0
FARM BUSINESS INCOME	22805	229	16357	196
LABOUR USE AND LABOUR INCOMES				
Annual Labour Units per farm	2.3		2.1	
of which farmer & spouse	1.4		1.4	
of which paid family labour	0.2		0.1	
of which unpaid labour	0.4		0.3	
Notional value of farmer/spouse labour	18786		19459	
Value of paid family labour	2025		1302	
Labour income per Annual Labour Unit	8802		3732	
Family labour income per Family Work Unit	5398		-1058	
Value of paid managerial input	0		0	
TENANT'S CAPITAL - £ per farm				
Machinery	63456	636	54788	657
Livestock	83702	839	70959	850
Crops	4753	48	5402	65
Stores	1919	19	1928	23
TOTAL	153830	1542	133076	1595
ASSETS - £ per farm				
	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	355385	396971	358104	367944
Buildings, improvements and fixtures	25414	31466	19357	21386
Machinery	61646	65267	54303	55272
Livestock	84046	83357	69287	72630
Produce and goods in store	6573	6771	9834	10607
Quotas and single payment asset value	78255	47927	44856	43762
Credit balances	13372	21912	18965	14467
TOTAL	624692	653672	574706	586068
EXTERNAL LIABILITIES				
Long and medium term loans	39405	78338	40845	42932
Short term loans	7995	14009	11265	11279
Overdrafts	20033	23435	26798	26060
TOTAL	67432	115782	78909	80271
NET WORTH	557260	537890	495797	505797
RETURNS TO CAPITAL				
Owner Equity (%)	82.3		86.3	
FBI/Net worth (%)	4.1		3.3	
Management and Investment Income	-3974		-11828	
Return on tenant's capital (%)	-2.6		-8.9	
Return on all capital (%)	-0.6		-2.1	

Table A3.3 LFA Dairy Farm Results
LAND UTILISATION AND CROP PERFORMANCE

ORGANIC

LAND UTILISATION - hectares per farm		<i>Full sample</i>	
		2005/06	2006/07
Tillage - maincrops	Wheat	0.0	0.0
	Barley	3.6	0.0
	Other cereals	0.0	0.0
	Oil seed rape	0.0	0.0
	Linseed	0.0	0.0
	Peas/Beans	0.0	0.0
	Potatoes	0.0	0.0
	Sugarbeet	0.0	0.0
	Horticulture	0.0	0.0
	Other crops	0.0	0.0
	Total cropping	3.6	0.0
	Set-aside	0.0	0.0
Tillage - fodder		0.5	5.2
Grassland	Grazing, hay and silage	91.9	79.3
Fallow and land let		0.0	0.0
Rough grazing	Effective	7.0	5.8
Utilisable agricultural area (Effective ha.)		103.0	90.4
Woods, roads and buildings		3.5	2.8
TOTAL AREA (Actual ha.)		106.4	93.1
effective forage area		99.3	90.4
Bare land and forage hired in		0.0	0.0
CROP PERFORMANCE - Yields (tonnes per hectare)*			
	Wheat	0.0	0.0
	Barley	4.9	0.0
	Oilseed Rape	0.0	0.0
	Potatoes	0.0	0.0
	Sugar Beet	0.0	0.0
- Prices (£ per tonne)*			
	Wheat	0	0
	Barley	70	0
	Oilseed Rape	0	0
	Potatoes	0	0
	Sugar Beet	0	0

* Yield and price data is implied

Table A3.3 LFA Dairy Farm Results**CONVENTIONAL****LAND UTILISATION AND CROP PERFORMANCE**

LAND UTILISATION - hectares per farm		<i>Full sample</i>	
		2005/06	2006/07
Tillage - maincrops	Wheat	0.0	0.0
	Barley	2.2	1.2
	Other cereals	0.4	0.2
	Oil seed rape	0.0	0.0
	Linseed	0.0	0.0
	Peas/Beans	0.0	0.0
	Potatoes	0.0	0.0
	Sugarbeet	0.0	0.0
	Horticulture	0.0	0.0
	Other crops	0.0	0.0
	Total cropping	2.6	1.4
	Set-aside	0.3	0.0
Tillage - fodder		0.9	0.8
Grassland	Grazing, hay and silage	90.3	75.1
Fallow and land let		0.2	0.0
Rough grazing	Effective	5.3	6.2
Utilisable agricultural area (Effective ha.)		99.7	83.5
Woods, roads and buildings		3.5	3.0
TOTAL AREA (Actual ha.)		103.2	86.4
effective forage area		99.8	88.1
Bare land and forage hired in		3.3	6.1
CROP PERFORMANCE - Yields (tonnes per hectare)*			
	Wheat	0.0	0.0
	Barley	5.8	5.8
	Oilseed Rape	0.0	0.0
	Potatoes	0.0	0.0
	Sugar Beet	0.0	0.0
- Prices (£ per tonne)*			
	Wheat	0	0
	Barley	66	82
	Oilseed Rape	0	0
	Potatoes	0	0
	Sugar Beet	0	0

* Yield and price data is implied

**Table A3.4 LFA Dairy Farm Results
STOCKING AND LIVESTOCK PERFORMANCE**

ORGANIC

LIVESTOCK CARRIED - L.U. per farm	<i>Full sample</i>			
	2005/06		2006/07	
	LU	No's	LU	No's
Dairy cows	73.4	73	64.4	64
Beef cows	3.3	4	2.8	4
Other cattle	40.7	77	33.8	62
Breeding sheep	11.5	144	10.2	128
Other sheep	7.1	177	3.3	81
Pigs	0.0	0	0.0	0
Poultry	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0
TOTAL (L.U.)	136.1		114.4	

STOCKING RATES

Stocking rate (LU per eff.ha)	1.3	1.3
GLU/forage effective hectare*	1.4	1.3

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*

Dairy cows (litres)	5637	5648
Dairy cows	262	360
Dairy calves	31	54
Dairy heifers in calf	400	0
Beef heifers in calf	0	0
Fat cattle	695	836
Beef store cattle 1-2 yrs	1585	318
Beef stores <1 yr	162	25
Ewes	32	48
Ewe hoggs	50	0
Fat lambs	51	54
Store lambs	0	22
Fat Pigs	0	0
Milk (pence per litre)	21.5	25.5
Wool (pence per kg)	50.3	42.6

* Price data is implied

Table A3.4 LFA Dairy Farm Results
STOCKING AND LIVESTOCK PERFORMANCE

CONVENTIONAL

LIVESTOCK CARRIED - L.U. per farm	<i>Full sample</i>			
	2005/06		2006/07	
	LU	No's	LU	No's
Dairy cows	69.7	70	61.0	61
Beef cows	1.7	2	1.8	2
Other cattle	48.6	88	37.4	68
Breeding sheep	26.3	329	21.5	269
Other sheep	11.0	268	7.1	174
Pigs	0.0	0	0.0	0
Poultry	0.0	0	0.0	0
Other livestock	0.0	0	0.0	0
TOTAL (L.U.)	157.3		128.9	

STOCKING RATES

Stocking rate (LU per eff.ha)	1.6	1.5
GLU/forage effective hectare*	1.6	1.5

* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*

Dairy cows (litres)	6018	5552
Dairy cows	398	400
Dairy calves	31	86
Dairy heifers in calf	480	1000
Beef heifers in calf	369	0
Fat cattle	527	570
Beef store cattle 1-2 yrs	434	413
Beef stores <1 yr	85	103
Ewes	74	80
Ewe hogs	59	54
Fat lambs	41	42
Store lambs	30	31
Fat Pigs	0	0
Milk (pence per litre)	17.3	16.3
Wool (pence per kg)	50.4	39.9

* Price data is implied

Table A4.1 LOWLAND DAIRY FARM RESULTS

ORGANIC

OUTPUTS AND INPUTS

		<i>Identical sample</i>				<i>Full sample</i>			
		2005/06		2006/07		2005/06		2006/07	
Sample number		10		10		19		23	
Average farm size (UAA)		98		101		123		129	
Business size (ESU)		122		125		149		169	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	139252	1424	169802	1688	162603	1325	215591	1665
	cattle	-2584	-26	1040	10	-6287	-51	-12517	-97
	net quota	0	0	0	0	-390	-3	-393	-3
	valuation change	3421	35	2120	21	2629	21	7136	55
Other cattle	output	14320	146	12609	125	14933	122	22922	177
	valuation change	-1883	-19	7074	70	1330	11	2084	16
Sheep -	total output	0	0	0	0	76	1	376	3
	valuation change	0	0	0	0	85	1	-66	-1
Other livestock		9532	97	1534	15	5017	41	605	5
Arable crops	output	3515	36	1461	15	5630	46	4278	33
	protein/energy support	78	1	17	0	103	1	21	0
By products forage and cults		1130	12	87	1	-664	-5	-81	-1
Miscellaneous (incl. farmhouse benefit value)		11516	118	15525	154	12061	98	17256	133
	- organic grants	1420	15	1486	15	2124	17	2816	22
	- other agri-env.payments	3788	39	5687	57	3299	27	7311	56
	- subsidy/single farm paymer	16211	166	19537	194	19725	161	28839	223
	FARM REVENUE	199714	2042	237979	2366	222274	1811	296178	2287
INPUTS									
Feeds	purchased concentrates	29452	301	33707	335	29941	244	48716	376
	homegrown concentrates	9113	93	5899	59	10159	83	7067	55
Purchased fodder, Tack and stock keep		1694	17	3903	39	1482	12	7054	54
Veterinary and medicines		3584	37	4828	48	4000	33	6763	52
Other livestock costs		16460	168	16223	161	17716	144	21871	169
Seeds -	purchased and homegrown	2336	24	2798	28	2740	22	2810	22
Fertilisers		1612	16	1942	19	1576	13	2145	17
Crop protection		93	1	19	0	167	1	187	1
Other crop costs		1358	14	1016	10	1292	11	1168	9
Labour	paid incl. paid management	11036	113	13713	136	18835	153	25632	198
	casual	1525	16	750	7	3016	25	2728	21
Machinery	contract	12620	129	12065	120	15657	128	15329	118
	repairs	6325	65	6995	70	7892	64	10090	78
	fuels	4283	44	5112	51	5445	44	7301	56
General farming costs		16612	170	18253	181	16188	132	21842	169
Land expenses		4162	43	5897	59	4918	40	5909	46
Rent		7164	73	7667	76	16105	131	13265	102
	FARM EXPENSES	129426	1323	140786	1400	157131	1280	199877	1544
Excess of expenses over revenue		70288	719	97193	966	65144	531	96302	744
Notional inputs									
	- rental value/imputed rent	21811	223	22010	219	17590	143	22129	171
	- unpaid labour	6920	71	7241	72	4741	39	4815	37
	- machinery depreciation	8713	89	8741	87	10515	86	12364	95
		37444	383	37993	378	32845	268	39307	304
NET FARM INCOME (excl. BLSA)		32844	336	59200	589	32298	263	56994	440
NET FARM INCOME (incl. BLSA)		33067	338	64085	637	33905	276	62384	482

Table A4.1 LOWLAND DAIRY FARM RESULTS

CONVENTIONAL

OUTPUTS AND INPUTS

		<i>Identical sample</i>				<i>Full sample</i>			
		2005/06		2006/07		2005/06		2006/07	
Sample number		61		61		118		133	
Average farm size (UAA)		88		88		113		126	
Business size (ESU)		115		115		137		159	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	115772	1313	113351	1285	131793	1169	151654	1201
	cattle	-3945	-45	-5408	-61	-6302	-56	-4385	-35
	net quota	56	1	8	0	-60	-1	11	0
	valuation change	621	7	1732	20	1869	17	644	5
Other cattle	output	20030	227	23813	270	23205	206	27750	220
	valuation change	2288	26	643	7	1361	12	1289	10
Sheep -	total output	964	11	902	10	1336	12	2001	16
	valuation change	-128	-1	-150	-2	-59	-1	-183	-1
Other livestock		6955	79	7452	84	4171	37	3811	30
Arable crops	output	17483	198	8506	96	17616	156	14146	112
	protein/energy support	0	0	58	0	6	0	41	0
By products forage and cults		815	9	1921	22	2142	19	3499	28
Miscellaneous (incl. farmhouse benefit value)		13898	158	15260	173	18391	163	22521	178
	- organic grants	1	0	0	0	1	0	0	0
	- other agri-env.payments	1360	15	1974	22	1614	14	2670	21
	- single payment scheme	16611	188	19011	216	22392	199	27627	219
	FARM REVENUE	192782	2187	189073	2144	219476	1946	253097	2004
INPUTS									
Feeds	purchased concentrates	32573	369	38156	433	33272	295	44411	352
	homegrown concentrates	2793	32	2894	33	4504	40	5817	46
Purchased fodder, Tack and stock keep		2650	30	3216	36	1941	17	3124	25
Veterinary and medicines		5071	58	5462	62	6019	53	6981	55
Other livestock costs		12196	138	13383	152	14715	131	16253	129
Seeds -	purchased and homegrown	8717	99	2185	25	5863	52	3112	25
Fertilisers		6206	70	6102	69	8283	73	9803	78
Crop protection		1520	17	1718	19	3049	27	3642	29
Other crop costs		1328	15	1521	17	1481	13	2056	16
Labour	paid incl. paid management	10977	125	10836	123	17294	153	21933	174
	casual	1904	22	2473	28	1586	14	2205	17
Machinery	contract	7258	82	8035	91	10231	91	12561	99
	repairs	6390	72	6094	69	7075	63	9408	74
	fuels	4662	53	5255	60	5783	51	6756	53
General farming costs		15973	181	16982	193	18336	163	19295	153
Land expenses		3345	38	2977	34	4040	36	5036	40
Rent		5036	57	5203	59	7098	63	7447	59
	FARM EXPENSES	128599	1459	132493	1502	150569	1335	179839	1424
Excess of expenses over revenue		64183	728	56581	641	68907	611	73258	580
Notional inputs									
	- rental value/imputed rent	16137	183	18746	213	18204	161	22297	177
	- unpaid labour	8249	94	8786	100	8825	78	10018	79
	- machinery depreciation	12454	141	13247	150	13859	123	14880	118
		36839	418	40779	462	40887	363	47195	374
NET FARM INCOME (excl. BLSA)		27344	310	15802	179	28020	249	26063	206
NET FARM INCOME (incl. BLSA)		28494	323	19928	226	29245	259	31281	248

Table A4.2 LOWLAND DAIRY FARM RESULTS ORGANIC
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	Identical sample				Full sample			
	2005/06		2006/07		2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	32844	336	59200	589	32298	263	56994	440
plus unpaid labour (excludes farmer and spouse)	6920	71	7241	72	4741	39	4815	37
plus imputed rent and rental value	21749	222	21985	219	16390	134	22092	171
plus semi-integrated non-agric activities output	260	3	436	4	1910	16	190	1
plus farm business assets - sale and profit	0	0	0	0	0	0	0	0
minus imputed rent on farmhouse & farm cottages	3060	31	3726	37	3103	25	5011	39
minus insurance repairs & net interest payments	4268	44	5878	58	6753	55	11034	85
minus build & works depreciation	7936	81	8596	85	6026	49	8383	65
minus semi-integrated non-agric activities costs	500	5	942	9	1961	16	409	3
FARM BUSINESS INCOME	46009	470	69722	693	37496	305	59253	458
					0			
LABOUR USE AND LABOUR INCOMES								
Annual Labour Units per farm	2.6		2.7		3.0		3.3	
of which farmer & spouse	1.4		1.4		1.5		1.4	
of which paid family labour	0.0		0.1		0.0		0.2	
of which unpaid labour	0.4		0.5		0.3		0.3	
Notional value of farmer/spouse labour	21666		21504		21944		21703	
Value of paid family labour	692		1926		364		3244	
Labour income per Annual Labour Unit	16919		26672		16266		23450	
Family labour income per Family Work Unit	17744		34950		14885		30328	
Value of paid managerial input	0		0		0		0	
TENANT'S CAPITAL - £ per farm								
Machinery	50070	512	54723	544	59084	481	77039	595
Livestock	79329	811	87408	869	96207	784	122506	946
Crops	8234	84	7128	71	9793	80	6834	53
Stores	2210	23	2526	25	2510	20	3310	26
TOTAL	139843	1430	151785	1509	167594	1365	209689	1619
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
ASSETS - £ per farm								
Land and Property	344839	358588	358588	455777	244628	254388	464501	516566
Buildings, improvements and fixtures	37754	39164	39164	37540	29528	33593	49176	48818
Machinery	49096	51044	52669	56776	56239	61929	72496	81582
Livestock	78675	79982	80337	94479	93501	98913	115239	129773
Produce and goods in store	10870	10019	19685	12078	13893	10713	26418	14548
Quotas and single payment asset value	105385	75371	69510	57311	105630	74565	89791	79356
Credit balances	16724	34885	25486	25348	22485	42981	26753	28609
TOTAL	643342	649051	645439	739308	565903	577084	844373	899253
EXTERNAL LIABILITIES								
Long and medium term loans	35413	30114	28298	49657	51266	46726	89909	96242
Short term loans	14498	9818	11196	11662	20378	25086	26823	36184
Overdrafts	26843	36898	36890	23189	41746	60904	62353	61407
TOTAL	76754	76830	76384	84509	113391	132715	179085	193834
NET WORTH	566588	572222	569055	654799	452512	444368	665288	707511
RETURNS TO CAPITAL								
Owner Equity (%)	88.2		88.6		77.0		78.7	
FBI/Net worth (%)	8.1		12.3		8.3		8.9	
Management and Investment Income	11401		42582		11961		40681	
Return on tenant's capital (%)	8.2		28.1		7.1		19.4	
Return on all capital (%)	1.8		6.6		2.1		4.8	

Table A4.2 LOWLAND DAIRY FARM RESULTS
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

CONVENTIONAL

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2005/06		2006/07		2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	27344	310	15802	179	28020	249	26063	206
plus unpaid labour (excludes farmer and spouse)	8249	94	8786	100	8825	78	10018	79
plus imputed rent and rental value	15957	181	18545	210	18066	160	22134	175
plus semi-integrated non-agric activities output	55	1	89	1	134	1	81	1
plus farm business assets - sale and profit	1076	12	161	2	670	6	2215	18
minus imputed rent on farmhouse & farm cottages	3335	38	4068	46	4100	36	5336	42
minus insurance repairs & net interest payments	9314	106	10261	116	9977	88	12382	98
minus build & works depreciation	6325	72	7466	85	6151	55	6721	53
minus semi-integrated non-agric activities costs	8	0	52	1	44	0	52	0
FARM BUSINESS INCOME	33698	382	21536	244	35443	314	36021	285
							0	
LABOUR USE AND LABOUR INCOMES								
Annual Labour Units per farm	2.8		2.8		3.2		3.5	
of which farmer & spouse	1.5		1.5		1.5		1.5	
of which paid family labour	0.1		0.1		0.2		0.2	
of which unpaid labour	0.5		0.5		0.6		0.6	
Notional value of farmer/spouse labour	24936		25086		22817		24566	
Value of paid family labour	2034		827		2009		3419	
Labour income per Annual Labour Unit	13280		9448		13816		13395	
Family labour income per Family Work Unit	11098		3351		11288		9116	
Value of paid managerial input	0		0		0		0	
TENANT'S CAPITAL - £ per farm								
Machinery	67156	762	70956	804	74350	659	84084	666
Livestock	84587	959	89739	1017	98490	873	115727	916
Crops	19867	225	21940	249	16125	143	22621	179
Stores	7542	86	7729	88	9346	83	9815	78
TOTAL	179152	2032	190364	2158	198311	1759	232248	1839
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
ASSETS - £ per farm								
Land and Property	445485	467775	468244	514458	464232	486291	577642	621336
Buildings, improvements and fixtures	22217	39155	39155	46455	27633	34776	35296	41196
Machinery	63606	70707	70738	71173	70850	77850	83280	84888
Livestock	82609	86565	86557	92921	96271	100708	112135	119318
Produce and goods in store	26316	28502	39533	37918	24839	26103	45660	41484
Quotas and single payment asset value	119038	73575	73141	52965	133691	93308	105221	81959
Credit balances	27621	39898	30793	36174	36044	52071	48665	49019
TOTAL	786890	806178	808162	852063	853561	871106	1007900	1039200
EXTERNAL LIABILITIES								
Long and medium term loans	84244	103616	103616	115066	85089	94386	118967	127105
Short term loans	20189	25757	26207	27424	26678	30723	33213	31723
Overdrafts	39778	48640	47475	49701	51704	58776	64488	58986
TOTAL	144211	178014	177298	192191	163471	183885	216667	217814
NET WORTH	642679	628239	630938	659945	690090	687258	791375	821525
RETURNS TO CAPITAL								
Owner Equity (%)	77.9		77.5		78.9		79.1	
FBI/Net worth (%)	5.2		3.4		5.1		4.6	
Management and Investment Income	3558		-5158		6428		6715	
Return on tenant's capital (%)	2.0		-2.7		3.2		2.9	
Return on all capital (%)	0.5		-0.6		0.8		0.7	

Table A4.3 LOWLAND DAIRY FARM RESULTS
LAND UTILISATION AND CROP PERFORMANCE

ORGANIC

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>	
	2005/06	2006/07	2005/06	2006/07
Tillage - maincrops				
Wheat	2.1	2.1	2.1	0.9
Barley	0.7	0.0	0.7	0.0
Other cereals	3.2	0.4	3.2	2.6
Oil seed rape	0.0	0.0	0.0	0.0
Linseed	0.0	0.0	0.0	0.0
Peas/Beans	1.5	0.5	1.5	1.2
Potatoes	0.0	0.0	0.0	0.0
Sugarbeet	0.0	0.0	0.0	0.0
Horticulture	0.0	0.0	0.0	0.0
Other crops	0.0	0.0	0.0	0.0
Total cropping	7.5	3.1	7.5	4.7
Set-aside	2.4	0.6	2.4	0.7
Tillage - fodder	6.3	9.9	9.0	11.0
Grassland				
Grazing, hay and silage	81.6	87.1	101.7	111.5
Fallow and land let	0.0	0.0	-0.3	0.4
Rough grazing				
Effective	0.0	0.0	0.7	1.1
Utilisable agricultural area (Effective ha.)	97.8	100.6	122.7	129.5
Woods, roads and buildings	2.4	2.0	4.5	4.1
TOTAL AREA (Actual ha.)	100.2	102.6	127.3	133.6
effective forage area	93.4	107.4	115.5	130.6
Bare land and forage hired in	5.5	10.5	4.0	6.9
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat	4.6	8.5	4.6	8.6
Barley	4.9	0.0	4.9	7.7
Oilseed Rape	0.0	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0	0.0
Sugar Beet	0.0	0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat	115	85	115	85
Barley	70	0	70	0
Oilseed Rape	0	0	0	0
Potatoes	0	0	0	0
Sugar Beet	0	0	0	0

* Yield and price data is implied

Table A4.3 LOWLAND DAIRY FARM RESULTS
LAND UTILISATION AND CROP PERFORMANCE

CONVENTIONAL

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>	
	2005/06	2006/07	2005/06	2006/07
Tillage - maincrops				
Wheat	5.4	5.4	11.7	12.1
Barley	3.2	3.5	5.2	5.0
Other cereals	0.1	0.0	0.3	0.3
Oil seed rape	0.3	0.2	1.2	0.7
Linseed	0.0	0.0	0.0	0.0
Peas/Beans	0.4	0.3	2.0	1.4
Potatoes	0.2	0.0	0.1	0.0
Sugarbeet	0.1	0.1	0.1	0.1
Horticulture	0.0	0.0	0.0	0.0
Other crops	0.0	0.0	0.0	0.0
Total cropping	9.7	9.6	20.5	19.6
Set-aside	3.2	3.0	4.4	4.3
Tillage - fodder				
Grassland	8.7	9.1	11.7	14.0
Grazing, hay and silage	65.9	65.5	74.0	87.3
Fallow and land let	0.6	0.9	0.7	0.9
Rough grazing				
Effective	0.1	0.1	1.4	0.1
Utilisable agricultural area (Effective ha.)	88.2	88.2	112.8	126.3
Woods, roads and buildings	2.7	2.7	3.0	5.5
TOTAL AREA (Actual ha.)	90.9	90.9	115.8	131.8
effective forage area	77.9	78.6	91.0	108.6
Bare land and forage hired in	4.9	5.7	4.8	8.3
CROP PERFORMANCE - Yields (tonnes per hectare)*				
Wheat	7.8	8.0	7.8	7.8
Barley	6.1	6.2	6.2	5.9
Oilseed Rape	3.3	3.6	3.8	3.4
Potatoes	36.6	38.3	36.6	38.3
Sugar Beet	56.0	58.9	56.0	50.6
- Prices (£ per tonne)*				
Wheat	66	82	67	86
Barley	68	81	66	83
Oilseed Rape	120	163	126	158
Potatoes	142	132	142	132
Sugar Beet	0	0	0	0

* Yield and price data is implied

**Table A4.4 LOWLAND DAIRY FARM RESULTS
STOCKING AND LIVESTOCK PERFORMANCE**

ORGANIC

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2005/06		2006/07		2005/06		2006/07	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	102.2	102	107.9	108	129.0	129	151.1	151
Beef cows	0.2	0	0.2	0	0.1	0	0.7	1
Other cattle	45.0	86	46.1	87	50.4	94	62.1	116
Breeding sheep	0.0	0	0.0	0	0.3	3	0.4	3
Other sheep	0.0	0	0.0	0	0.1	3	0.1	3
Pigs	0.0	0	0.0	0	0.0	0	0.0	0
Poultry	2.8	1444	2.8	784	1.4	760	1.0	328
Other livestock	0.0	0	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	150.1		156.9		181.3		215.3	

STOCKING RATES

Stocking rate (LU per eff.ha)	1.5	1.6	1.5	1.7
GLU/forage effective hectare*	1.6	1.5	1.6	1.6

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*

Dairy cows (litres)	5945	5545	5634	5676
Dairy cows	312	430	315	361
Dairy calves	54	76	56	61
Dairy heifers in calf	863	0	670	0
Beef heifers in calf	0	0	0	0
Fat cattle	478	673	445	579
Beef store cattle 1-2 yrs	449	402	429	413
Beef stores <1 yr	93	100	113	122
Ewes	0	0	0	0
Ewe hoggs	0	0	0	0
Fat lambs	0	0	53	66
Store lambs	0	0	0	48
Fat Pigs	0	0	0	0
Milk (pence per litre)	21.8	24.9	22.1	25.2
Wool (pence per kg)	0.0	0.0	58.8	0.0

* Price data is implied

Table A4.4 LOWLAND DAIRY FARM RESULTS
STOCKING AND LIVESTOCK PERFORMANCE

CONVENTIONAL

	<i>Identical sample</i>				<i>Full sample</i>			
	2005/06		2006/07		2005/06		2006/07	
	LU	No's	LU	No's	LU	No's	LU	No's
LIVESTOCK CARRIED - L.U. per farm								
Dairy cows	90.9	91	91.0	91	105.4	105	126.0	126
Beef cows	0.6	1	0.9	1	0.6	1	0.8	1
Other cattle	52.0	96	55.3	101	58.4	110	65.8	121
Breeding sheep	1.5	15	1.8	18	2.6	25	3.2	31
Other sheep	0.6	15	0.4	10	0.9	22	1.0	24
Pigs	2.4	14	2.6	16	1.9	13	2.8	16
Poultry	6.7	413	6.8	410	3.4	211	1.5	92
Other livestock	0.0	0	0.0	0	0.0	0	0.0	0
TOTAL (L.U.)	154.8		158.9		173.3		201.1	
STOCKING RATES								
Stocking rate (LU per eff.ha)	1.8		1.8		1.5		1.6	
GLU/forage effective hectare*	2.0		2.0		1.9		1.9	
* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock								
LIVESTOCK PERFORMANCE - Prices (£ per head)*								
Dairy cows (litres)	6389		6389		6408		6432	
Dairy cows	351		433		362		406	
Dairy calves	65		73		60		81	
Dairy heifers in calf	723		748		762		734	
Beef heifers in calf	0		577		0		688	
Fat cattle	504		512		537		561	
Beef store cattle 1-2 yrs	342		418		353		431	
Beef stores <1 yr	164		165		133		148	
Ewes	30		0		42		60	
Ewe hoggs	0		0		0		0	
Fat lambs	47		46		48		47	
Store lambs	0		38		23		37	
Fat Pigs	130		105		112		114	
Milk (pence per litre)	18.4		17.7		18.2		17.5	
Wool (pence per kg)	61.9		84.3		58.2		67.3	

* Price data is implied

Table A5.1 LOWLAND CATTLE AND SHEEP RESULTS ORGANIC

OUTPUTS AND INPUTS

		<i>Identical sample</i>				<i>Full sample</i>			
		2005/06		2006/07		2005/06		2006/07	
Sample number		8		8		17		23	
Average farm size (UAA)		99		91		90		92	
Business size (ESU)		24		23		22		24	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	881	9	0	0	414	5	0	0
	cattle	1239	13	0	0	583	6	0	0
	net quota	0	0	0	0	0	0	0	0
	valuation change	-1850	-19	0	0	-871	-10	0	0
Other cattle	output	18545	188	21916	240	17244	192	17804	194
	valuation change	-1800	-18	-295	-3	-1408	-16	1446	16
Sheep -	total output	8134	82	7449	82	8615	96	7808	85
	valuation change	159	2	783	9	-125	-1	-53	-1
Other livestock		5509	56	5679	62	2645	29	2281	25
Arable crops	output	71	1	90	1	522	6	1270	14
	protein/energy support	0	0	0	0	0	0	0	0
By products forage and cults		-892	-9	1126	12	324	4	1281	14
Miscellaneous (incl. farmhouse benefit value)		6909	70	9437	103	5077	56	9615	105
	- organic grants	1422	14	1208	13	1658	18	1061	12
	- other agri-env.payments	8283	84	11134	122	6951	77	8594	94
	- subsidy/single farm paymer:	13790	140	13698	150	13878	154	15700	171
	FARM REVENUE	60399	612	72224	792	55508	616	66807	729
INPUTS									
Feeds	purchased concentrates	3771	38	2878	32	2756	31	2579	28
	homegrown concentrates	641	6	90	1	840	9	555	6
	Purchased fodder, Tack and stock keep	56	1	552	6	182	2	911	10
	Veterinary and medicines	1395	14	1171	13	976	11	1514	17
	Other livestock costs	4062	41	3783	41	3602	40	4698	51
Seeds -	purchased and homegrown	224	2	219	2	254	3	863	9
	Fertilisers	599	6	20	0	517	6	42	0
	Crop protection	0	0	3	0	0	0	12	0
	Other crop costs	306	3	273	3	387	4	424	5
Labour	paid incl. paid management	0	0	0	0	902	10	2430	27
	casual	931	9	1632	18	471	5	688	8
Machinery	contract	2792	28	3027	33	2497	28	3067	33
	repairs	3209	32	2723	30	2359	26	2672	29
	fuels	1977	20	2350	26	2013	22	2378	26
	General farming costs	7992	81	7222	79	6987	78	8244	90
	Land expenses	2188	22	2218	24	2178	24	2050	22
	Rent	5319	54	4694	51	3295	37	3130	34
	FARM EXPENSES	35462	359	32853	360	30216	336	36257	395
	Excess of expenses over revenue	24937	253	39370	432	25292	281	30550	333
Notional inputs									
	- rental value/imputed rent	10772	109	11047	121	10712	119	12004	131
	- unpaid labour	4361	44	4216	46	4055	45	2616	29
	- machinery depreciation	4329	44	4768	52	4853	54	6998	76
		19462	197	20030	220	19620	218	21619	236
	NET FARM INCOME (excl. BLSA)	5475	55	19340	212	5672	63	8931	97
	NET FARM INCOME (incl. BLSA)	5488	56	19811	217	5587	62	9917	108

Table A5.1 LOWLAND CATTLE AND SHEEP RESULTS		CONVENTIONAL							
		Identical sample				Full sample			
		2005/06		2006/07		2005/06		2006/07	
OUTPUTS AND INPUTS									
Sample number		61		61		185		204	
Average farm size (UAA)		102		103		94		90	
Business size (ESU)		30		29		30		30	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	187	2	7	0	81	1	2	0
	cattle	177	2	143	1	83	1	149	2
	net quota	0	0	0	0	0	0	0	0
	valuation change	-175	-2	-100	-1	-82	-1	-136	-2
Other cattle	output	21413	210	24472	238	21146	226	19899	220
	valuation change	-1089	-11	-1935	-19	-1806	-19	-127	-1
Sheep -	total output	12648	124	12548	122	13524	145	16161	179
	valuation change	1171	11	727	7	918	10	-391	-4
Other livestock		411	4	296	3	951	10	573	6
Arable crops	output	1727	17	2297	22	1853	20	1692	19
	protein/energy support	0	0	0	0	0	0	0	0
By products forage and cults		3705	36	4148	40	3181	34	3694	41
Miscellaneous (incl. farmhouse benefit value)		4881	48	5760	56	6212	66	12581	139
	- organic grants	0	0	0	0	0	0	0	0
	- other agri-env.payments	3203	31	3739	36	2507	27	3738	41
	- single payment scheme	20721	203	20149	196	19964	213	16816	186
	FARM REVENUE	68980	677	72252	704	68532	733	74650	825
INPUTS									
Feeds	purchased concentrates	4818	47	5040	49	5228	56	6537	72
	homegrown concentrates	1541	15	2143	21	1533	16	1271	14
Purchased fodder, Tack and stock keep		360	4	470	5	460	5	1408	16
Veterinary and medicines		1754	17	1663	16	1886	20	2091	23
Other livestock costs		3200	31	3526	34	3809	41	4884	54
Seeds -	purchased and homegrown	587	6	669	7	676	7	574	6
Fertilisers		2663	26	2919	28	3033	32	2709	30
Crop protection		508	5	532	5	527	6	476	5
Other crop costs		303	3	326	3	344	4	421	5
Labour	paid incl. paid management	744	7	734	7	1255	13	3228	36
	casual	368	4	406	4	538	6	1097	12
Machinery	contract	2325	23	2317	23	2608	28	3102	34
	repairs	3019	30	3084	30	2887	31	3062	34
	fuels	2753	27	2927	29	2726	29	2876	32
General farming costs		7046	69	7313	71	7118	76	7705	85
Land expenses		1863	18	1450	14	1898	20	2171	24
Rent		4632	45	4281	42	4484	48	4018	44
	FARM EXPENSES	38484	378	39800	388	41010	438	47630	526
Excess of expenses over revenue		30496	299	32452	316	27522	294	27020	299
Notional inputs									
	- rental value/imputed rent	9325	92	10333	101	9464	101	12255	135
	- unpaid labour	3596	35	3497	34	4536	48	3112	34
	- machinery depreciation	5596	55	5764	56	5728	61	5961	66
		18517	182	19594	191	19728	211	21328	236
NET FARM INCOME (excl. BLSA)		11979	118	12858	125	7793	83	5692	63
NET FARM INCOME (incl. BLSA)		12146	119	13692	133	7956	85	6069	67

Table A5.2 LOWLAND CATTLE AND SHEEP RESULTS ORGANIC
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	Identical sample				Full sample			
	2005/06		2006/07		2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	5475	55	19340	212	5672	63	8931	97
plus unpaid labour (excludes farmer and spouse)	4361	44	4216	46	4055	45	2616	29
plus imputed rent and rental value	10700	108	10973	120	6383	71	11893	130
plus semi-integrated non-agric activities output	0	0	0	0	1241	14	0	0
plus farm business assets - sale and profit	0	0	703	8	0	0	14810	162
minus imputed rent on farmhouse & farm cottages	2253	23	2785	31	2349	26	3599	39
minus insurance repairs & net interest payments	1894	19	1776	19	1405	16	2315	25
minus build & works depreciation	2840	29	2729	30	1771	20	2129	23
minus semi-integrated non-agric activities costs	0	0	0	0	1094	12	0	0
FARM BUSINESS INCOME	13550	137	27941	306	10732	119	30207	330
LABOUR USE AND LABOUR INCOMES								
Annual Labour Units per farm	1.3		1.3		1.4		1.6	
of which farmer & spouse	1.0		1.0		1.0		1.2	
of which paid family labour	0.0		0.0		0.0		0.1	
of which unpaid labour	0.3		0.3		0.3		0.2	
Notional value of farmer/spouse labour	14507		14807		14377		18381	
Value of paid family labour	0		0		412		1572	
Labour income per Annual Labour Unit	5005		15736		4678		6010	
Family labour income per Family Work Unit	1325		15530		1547		4155	
Value of paid managerial input	0		0		0		0	
TENANT'S CAPITAL - £ per farm								
Machinery	24957	253	25500	280	31976	355	37276	407
Livestock	41086	416	40288	442	38567	428	46084	503
Crops	3467	35	3392	37	2778	31	3741	41
Stores	159	2	256	3	330	4	549	6
TOTAL	69669	706	69436	762	73652	818	87651	956
ASSETS - £ per farm								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	262098	280213	280213	299982	299869	309775	523896	536341
Buildings, improvements and fixtures	15694	15893	15893	17621	9449	10117	11957	13002
Machinery	24386	25529	25529	25471	30395	33557	36066	38486
Livestock	42895	39277	39809	40767	39814	37321	44891	47278
Produce and goods in store	4195	3057	12759	10107	3517	2698	9903	7414
Quotas and single payment asset value	33621	32044	32228	31042	30453	29513	36209	32904
Credit balances	20530	30125	20443	19195	18049	22091	37125	31378
TOTAL	403418	426138	426873	444184	431546	445073	700046	706804
EXTERNAL LIABILITIES								
Long and medium term loans	20173	22317	22317	27190	13922	13238	24351	22340
Short term loans	1425	1812	1811	935	2350	3296	4421	5192
Overdrafts	2500	12227	12227	8239	1499	6842	20277	16637
TOTAL	24097	36356	36355	36364	17771	23376	49049	44169
NET WORTH	379321	389782	390519	407820	413792	421697	650997	662635
RETURNS TO CAPITAL								
Owner Equity (%)	91.5		91.8		94.7		93.8	
FBI/Net worth (%)	3.6		7.2		2.6		4.6	
Management and Investment Income	-9019		5004		-8790		-8464	
Return on tenant's capital (%)	-12.9		7.2		-11.9		-9.7	
Return on all capital (%)	-2.2		1.2		-2.0		-1.2	

Table A5.2 LOWLAND CATTLE AND SHEEP RESULTS CONVENTIONAL
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2005/06		2006/07		2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	11979	118	12858	125	7793	83	5692	63
plus unpaid labour (excludes farmer and spouse)	3596	35	3497	34	4536	48	3112	34
plus imputed rent and rental value	9303	91	10290	100	9432	101	12105	134
plus semi-integrated non-agric activities output	446	4	711	7	470	5	436	5
plus farm business assets - sale and profit	1417	14	422	4	1183	13	328	4
minus imputed rent on farmhouse & farm cottages	2640	26	3284	32	2638	28	4011	44
minus insurance repairs & net interest payments	2075	20	2064	20	2255	24	2445	27
minus build & works depreciation	906	9	955	9	1120	12	2422	27
minus semi-integrated non-agric activities costs	291	3	431	4	306	3	295	3
FARM BUSINESS INCOME	20830	204	21045	205	17095	183	12502	138
LABOUR USE AND LABOUR INCOMES								
Annual Labour Units per farm	1.5		1.5		1.6		1.6	
of which farmer & spouse	1.2		1.2		1.2		1.1	
of which paid family labour	0.0		0.0		0.0		0.0	
of which unpaid labour	0.2		0.2		0.3		0.2	
Notional value of farmer/spouse labour	18205		18451		17687		17236	
Value of paid family labour	29		29		306		124	
Labour income per Annual Labour Unit	7145		7828		5015		4435	
Family labour income per Family Work Unit	5030		5843		1764		-184	
Value of paid managerial input	0		0		0		0	
TENANT'S CAPITAL - £ per farm								
Machinery	35071	344	35380	345	36312	388	34461	381
Livestock	56312	553	56055	546	56193	601	59983	663
Crops	4274	42	4247	41	4313	46	4096	45
Stores	1670	16	1702	17	1898	20	1855	21
TOTAL	97327	955	97384	948	98716	1055	100394	1110
ASSETS - £ per farm								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	335294	346128	346128	370508	324455	334555	334690	350701
Buildings, improvements and fixtures	4902	5537	5537	5755	5721	6152	12860	15648
Machinery	35534	34609	34648	36113	36496	36129	34122	34800
Livestock	56280	56344	56290	55820	56589	55796	60083	59882
Produce and goods in store	6013	5876	13363	9730	6325	6096	15046	12189
Quotas and single payment asset value	47078	43576	43625	40121	43913	41103	40516	32704
Credit balances	17130	20044	12708	21309	18640	21476	16399	19752
TOTAL	502230	512114	512299	539356	492139	501307	513717	525676
EXTERNAL LIABILITIES								
Long and medium term loans	21319	18963	18979	26975	21934	20202	34453	37566
Short term loans	6167	4874	4919	5249	5700	4872	7695	7121
Overdrafts	8859	11622	12203	11671	11526	12455	12064	13357
TOTAL	36345	35459	36101	43895	39160	37529	54212	58044
NET WORTH	465885	476655	476198	495496	452979	463783	459509	467643
RETURNS TO CAPITAL								
Owner Equity (%)	93.1		91.9		92.5		89.0	
FBI/Net worth (%)	4.5		4.4		3.8		2.7	
Management and Investment Income	-6059		-4758		-9731		-11167	
Return on tenant's capital (%)	-6.2		-4.9		-9.9		-11.1	
Return on all capital (%)	-1.2		-0.9		-2.0		-2.2	

Table A5.3 LOWLAND CATTLE AND SHEEP RESULTS ORGANIC
LAND UTILISATION AND CROP PERFORMANCE

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>	
	2005/06	2006/07	2005/06	2006/07
Tillage - maincrops				
Wheat	0.0	0.0	0.0	1.3
Barley	0.4	0.3	0.9	0.3
Other cereals	0.0	0.0	0.6	1.0
Oil seed rape	0.0	0.0	0.0	0.0
Linseed	0.0	0.0	0.0	0.0
Peas/Beans	0.0	0.0	0.0	0.2
Potatoes	0.0	0.0	0.0	0.0
Sugarbeet	0.0	0.0	0.0	0.0
Horticulture	0.0	0.0	0.1	0.1
Other crops	0.0	0.0	0.0	0.0
Total cropping	0.4	0.3	1.5	2.8
Set-aside	0.0	0.1	0.0	0.6
Tillage - fodder	2.6	2.5	1.7	2.4
Grassland				
Grazing, hay and silage	92.6	85.1	84.1	81.4
Fallow and land let	0.0	0.0	0.2	3.0
Rough grazing				
Effective	3.1	3.1	2.6	1.4
Utilisable agricultural area (Effective ha.)	98.7	91.2	90.0	91.7
Woods, roads and buildings	9.2	9.2	6.0	20.0
TOTAL AREA (Actual ha.)	107.9	100.4	96.7	111.7
effective forage area	102.4	92.7	90.2	87.2
Bare land and forage hired in	4.0	2.0	3.8	2.1
CROP PERFORMANCE - Yields (tonnes per hectare)*				
Wheat	0.0	0.0	0.0	2.3
Barley	3.2	3.0	3.1	4.5
Oilseed Rape	0.0	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0	0.0
Sugar Beet	0.0	0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat	0	0	0	187
Barley	63	90	92	105
Oilseed Rape	0	0	0	0
Potatoes	0	0	0	0
Sugar Beet	0	0	0	0

* Yield and price data is implied

Table A5.3 LOWLAND CATTLE AND SHEEP RESULTS CONVENTIONAL
LAND UTILISATION AND CROP PERFORMANCE

LAND UTILISATION - hectares per farm	<i>Identical sample</i>		<i>Full sample</i>	
	2005/06	2006/07	2005/06	2006/07
Tillage - maincrops				
Wheat	0.8	0.8	0.7	0.6
Barley	4.2	4.2	4.1	2.8
Other cereals	0.3	0.4	0.5	0.5
Oil seed rape	0.0	0.0	0.0	0.0
Linseed	0.0	0.0	0.0	0.0
Peas/Beans	0.0	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0	0.0
Sugarbeet	0.0	0.0	0.0	0.0
Horticulture	0.0	0.0	0.0	0.0
Other crops	0.0	0.0	0.0	0.0
Total cropping	5.2	5.4	5.3	4.0
Set-aside	0.7	0.9	0.7	0.5
Tillage - fodder	2.5	2.0	2.5	1.6
Grassland				
Grazing, hay and silage	88.8	89.3	81.6	82.4
Fallow and land let	4.4	4.7	3.1	1.7
Rough grazing				
Effective	0.3	0.3	0.3	0.4
Utilisable agricultural area (Effective ha.)	101.9	102.7	93.5	90.5
Woods, roads and buildings	2.2	2.3	2.8	3.0
TOTAL AREA (Actual ha.)	104.2	104.9	96.3	93.5
effective forage area	97.5	96.2	89.9	91.4
Bare land and forage hired in	6.0	4.6	5.5	7.3
CROP PERFORMANCE - Yields (tonnes per hectare)*				
Wheat	5.1	7.5	6.3	6.5
Barley	4.6	4.8	4.8	5.4
Oilseed Rape	0.0	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0	0.0
Sugar Beet	0.0	0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat	65	81	63	81
Barley	66	83	66	86
Oilseed Rape	0	0	0	0
Potatoes	0	0	0	0
Sugar Beet	0	0	0	0

* Yield and price data is implied

Table A5.4 LOWLAND CATTLE AND SHEEP RESULTS ORGANIC STOCKING AND LIVESTOCK PERFORMANCE

LIVESTOCK CARRIED - L.U. per farm	Identical sample				Full sample			
	2005/06		2006/07		2005/06		2006/07	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	0.7	1	0.0	0	0.3	0	0.0	0
Beef cows	24.9	33	23.7	32	23.2	31	25.8	34
Other cattle	43.9	81	47.8	86	34.8	67	38.2	71
Breeding sheep	17.1	161	15.4	145	18.1	184	17.2	163
Other sheep	4.1	102	4.5	112	4.2	102	3.8	92
Pigs	0.0	0	0.0	0	0.0	0	0.1	1
Poultry	3.9	246	3.5	221	1.8	135	1.3	109
Other livestock	0.0	2	0.0	2	0.0	1	0.0	1
TOTAL (L.U.)	94.6		94.9		82.5		86.4	

STOCKING RATES

Stocking rate (LU per eff.ha)	1.0	1.0	0.9	0.9
GLU/forage effective hectare*	0.9	1.0	0.9	1.0

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*

Dairy cows (litres)	8228	0	8228	0
Dairy cows	363	0	363	0
Dairy calves	0	0	0	0
Dairy heifers in calf	0	0	0	0
Beef heifers in calf	0	0	425	0
Fat cattle	713	742	687	749
Beef store cattle 1-2 yrs	397	401	0	407
Beef stores <1 yr	328	329	254	321
Ewes	39	0	36	31
Ewe hoggs	0	0	0	77
Fat lambs	52	72	53	56
Store lambs	0	12	33	29
Fat Pigs	0	0	0	80
Milk (pence per litre)	8.6	0.0	8.6	0.0
Wool (pence per kg)	58.7	61.1	53.0	50.1

* Price data is implied

Table A5.4 LOWLAND CATTLE AND SHEEP RESULTS CONVENTIONAL STOCKING AND LIVESTOCK PERFORMANCE

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2005/06		2006/07		2005/06		2006/07	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	0.3	0	0.0	0	0.1	0	0.0	0
Beef cows	16.6	22	15.9	21	15.3	20	19.0	25
Other cattle	52.7	93	50.2	89	50.8	90	39.9	73
Breeding sheep	29.6	280	29.7	283	33.0	311	35.8	340
Other sheep	7.7	189	7.3	180	8.2	202	9.3	225
Pigs	0.0	0	0.0	0	0.0	0	0.4	3
Poultry	0.2	15	0.2	15	0.1	7	0.2	11
Other livestock	0.0	1	0.0	0	0.0	1	0.0	4
TOTAL (L.U.)	107.1		103.3		107.5		104.6	
STOCKING RATES								
Stocking rate (LU per eff.ha)	1.1		1.0		1.1		1.2	
GLU/forage effective hectare*	1.1		1.1		1.2		1.1	
* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock								
LIVESTOCK PERFORMANCE - Prices (£ per head)*								
Dairy cows (litres)	4441		2076		4441		2076	
Dairy cows	253		483		253		483	
Dairy calves	0		176		0		176	
Dairy heifers in calf	0		838		0		838	
Beef heifers in calf	1044		775		962		668	
Fat cattle	555		601		555		604	
Beef store cattle 1-2 yrs	410		474		443		481	
Beef stores <1 yr	148		192		173		222	
Ewes	51		61		49		44	
Ewe hoggs	45		53		49		51	
Fat lambs	46		46		45		47	
Store lambs	32		32		30		36	
Fat Pigs	75		90		75		80	
Milk (pence per litre)	16.1		16.0		16.1		16.0	
Wool (pence per kg)	53.8		49.6		52.5		46.8	

* Price data is implied

Table A6.1 LFA CATTLE AND SHEEP RESULTS

ORGANIC

OUTPUTS AND INPUTS

		<i>Identical sample</i>				<i>Full sample</i>			
		2005/06		2006/07		2005/06		2006/07	
Sample number		16		16		25		29	
Average farm size (UAA)		126		126		125		145	
Business size (ESU)		37		36		33		36	
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	0	0	0	0	1482	12	0	0
	cattle	0	0	0	0	-120	-1	0	0
	net quota	0	0	0	0	0	0	0	0
	valuation change	0	0	0	0	97	1	0	0
Other cattle	output	22833	181	26934	213	17719	141	25634	177
	valuation change	-859	-7	-1974	-16	-442	-4	-1966	-14
Sheep -	total output	20545	163	22562	178	17797	142	22398	155
	valuation change	806	6	1514	12	143	1	285	2
Other livestock		297	2	490	4	804	6	1049	7
Arable crops	output	834	7	888	7	618	5	1233	9
	protein/energy support	0	0	0	0	0	0	0	0
By products forage and cults		585	5	255	2	448	4	472	3
Miscellaneous (incl. farmhouse benefit value)		15887	126	13012	103	12345	99	14535	100
	- organic grants	3803	30	3065	24	3279	26	4436	31
	- other agri-env.payments	13117	104	13744	109	11878	95	14991	103
	- subsidy/single farm paymer	29242	232	26140	207	23786	190	25905	179
	FARM REVENUE	107090	851	106630	844	89833	717	108972	752
INPUTS									
Feeds	purchased concentrates	5595	44	7606	60	5770	46	7223	50
	homegrown concentrates	834	7	1028	8	645	5	1255	9
Purchased fodder, Tack and stock keep		1793	14	1585	13	1500	12	1616	11
Veterinary and medicines		2637	21	3034	24	2331	19	2729	19
Other livestock costs		7406	59	6211	49	5929	47	6351	44
Seeds -	purchased and homegrown	455	4	598	5	445	4	779	5
Fertilisers		1672	13	1375	11	1319	11	1532	11
Crop protection		4	0	6	0	6	0	36	0
Other crop costs		1400	11	583	5	1001	8	500	3
Labour	paid incl. paid management	12471	99	7072	56	8350	67	5842	40
	casual	900	7	1714	14	1212	10	1700	12
Machinery	contract	3340	27	4203	33	3144	25	6547	45
	repairs	3469	28	3317	26	3239	26	3302	23
	fuels	3126	25	3886	31	3050	24	3897	27
General farming costs		10154	81	10420	82	8477	68	10342	71
Land expenses		3792	30	4563	36	3744	30	4464	31
Rent		2265	18	2708	21	2900	23	3362	23
	FARM EXPENSES	61314	487	59910	474	53065	424	61475	424
Excess of expenses over revenue		45776	364	46720	370	36768	294	47497	328
Notional inputs									
	- rental value/imputed rent	12912	103	15581	123	12323	98	16779	116
	- unpaid labour	1915	15	1956	15	1418	11	3603	25
	- machinery depreciation	6914	55	7139	56	5700	46	8338	58
		21740	173	24675	195	19442	155	28720	198
NET FARM INCOME (excl. BLSA)		24035	191	22045	174	17326	138	18777	130
NET FARM INCOME (incl. BLSA)		23971	190	22825	181	17301	138	19266	133

Table A6.1 LFA CATTLE AND SHEEP RESULTS

OUTPUTS AND INPUTS		CONVENTIONAL							
		<i>Identical sample</i>		<i>Full sample</i>					
		2005/06	2006/07	2005/06	2006/07				
Sample number		84	84	135	158				
Average farm size (UAA)		127	129	121	130				
Business size (ESU)		42	41	39	41				
OUTPUTS		£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	0	0	0	0	0	0	294	2
	cattle	0	0	0	0	0	0	114	1
	net quota	0	0	0	0	0	0	0	0
	valuation change	0	0	0	0	0	0	-241	-2
Other cattle	output	22363	175	26136	203	20134	166	24022	185
	valuation change	-1601	-13	-3671	-29	-826	-7	-2292	-18
Sheep -	total output	32822	258	31853	247	29357	242	29779	229
	valuation change	-141	-1	497	4	-341	-3	-311	-2
Other livestock		199	2	240	2	105	1	210	2
Arable crops	output	453	4	390	3	400	3	682	5
	protein/energy support	0	0	0	0	0	0	0	0
By products forage and cults		1134	9	2091	16	634	5	1117	9
Miscellaneous (incl. farmhouse benefit value)		5757	45	6485	50	5663	47	6115	47
	- organic grants	0	0	0	0	0	0	0	0
	- other agri-env.payments	8955	70	9033	70	9151	76	11170	86
	- single payment scheme	28465	223	28117	218	25997	214	28882	221
	FARM REVENUE	98407	772	101171	786	90274	746	99541	767
INPUTS									
Feeds	purchased concentrates	11400	89	12882	100	10558	87	11667	90
	homegrown concentrates	256	2	260	2	223	2	479	4
Purchased fodder, Tack and stock keep		2688	21	2566	20	2473	20	2979	23
Veterinary and medicines		3710	29	3812	30	3532	29	3687	28
Other livestock costs		5008	39	5737	45	4934	41	5302	41
Seeds -	purchased and homegrown	310	2	298	2	273	2	377	3
Fertilisers		5503	43	6272	49	4641	38	6062	47
Crop protection		259	2	241	2	237	2	256	2
Other crop costs		851	7	729	6	620	5	615	5
Labour	paid incl. paid management	2813	22	1985	15	2354	19	2157	17
	casual	877	7	1127	9	918	8	1320	10
Machinery	contract	3258	26	2860	22	3052	25	2984	23
	repairs	3250	25	3593	28	3171	26	3791	29
	fuels	4325	34	4516	35	3922	32	4351	34
General farming costs		7240	57	7995	62	7208	60	8487	65
Land expenses		3186	25	2921	23	2930	24	3217	25
Rent		4630	36	4571	36	3990	33	4222	33
	FARM EXPENSES	59564	467	62364	484	55036	455	61955	477
Excess of expenses over revenue		38843	305	38807	301	35238	291	37586	289
Notional inputs									
	- rental value/imputed rent	10550	83	13369	104	9934	82	14670	113
	- unpaid labour	3821	30	4938	38	4384	36	6161	47
	- machinery depreciation	8349	66	8564	67	7899	65	8526	66
		22720	178	26871	209	22217	184	29357	226
NET FARM INCOME (excl. BLSA)		16122	127	11937	93	13021	108	8229	63
NET FARM INCOME (incl. BLSA)		16124	127	12768	99	13056	108	8967	69

Table A6.2 LFA CATTLE AND SHEEP RESULTS ORGANIC
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2005/06		2006/07		2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	24035	191	22045	174	17326	138	18777	130
plus unpaid labour (excludes farmer and spouse)	1915	15	1956	15	1418	11	3603	25
plus imputed rent and rental value	12912	103	15581	123	9596	77	16779	116
plus semi-integrated non-agric activities output	0	0	0	0	0	0	0	0
plus farm business assets - sale and profit	0	0	0	0	0	0	0	0
minus imputed rent on farmhouse & farm cottages	3385	27	4082	32	3066	24	3558	25
minus insurance repairs & net interest payments	5650	45	7884	62	5002	40	6262	43
minus build & works depreciation	2892	23	2927	23	2533	20	4149	29
minus semi-integrated non-agric activities costs	0	0	0	0	0	0	0	0
FARM BUSINESS INCOME	26935	214	24689	195	17739	142	25190	174
LABOUR USE AND LABOUR INCOMES								
Annual Labour Units per farm	2.1		1.8		1.9		1.8	
of which farmer & spouse	1.2		1.1		1.2		1.1	
of which paid family labour	0.1		0.1		0.1		0.1	
of which unpaid labour	0.1		0.1		0.1		0.3	
Notional value of farmer/spouse labour	15570		15331		16606		15186	
Value of paid family labour	1174		1439		1116		1524	
Labour income per Annual Labour Unit	14950		14278		11444		12145	
Family labour income per Family Work Unit	14035		13189		9342		10310	
Value of paid managerial input	119		126		76		69	
TENANT'S CAPITAL - £ per farm								
Machinery	44618	355	47108	373	37367	298	53805	371
Livestock	73646	585	73530	582	61840	494	71846	496
Crops	3435	27	3502	28	2493	20	2563	18
Stores	771	6	691	5	599	5	880	6
TOTAL	122470	973	124830	987	102299	817	129094	891
ASSETS - £ per farm								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	430298	434424	434424	447299	410373	414920	511868	518972
Buildings, improvements and fixtures	17740	23758	23758	16819	14350	18512	23423	22658
Machinery	41871	47365	47666	46549	34829	39905	53212	54397
Livestock	73701	73591	73398	73662	61880	61800	72410	71282
Produce and goods in store	4168	4245	7698	9354	3056	3127	5727	6584
Quotas and single payment asset value	59660	56911	53918	50038	48265	45849	48665	45126
Credit balances	27019	21431	18075	15035	20688	17496	19248	13811
TOTAL	654458	661726	658937	658756	593441	601610	734554	732830
EXTERNAL LIABILITIES								
Long and medium term loans	76042	75602	75602	81672	59684	57388	58720	61252
Short term loans	5573	7992	9245	6162	4310	6674	6862	5285
Overdrafts	6589	12143	12143	12976	9278	15477	14983	17955
TOTAL	88204	95738	96991	100810	73272	79539	80566	84492
NET WORTH	566253	565988	561947	557946	520169	522071	653988	648338
RETURNS TO CAPITAL								
Owner Equity (%)	85.5		84.7		86.8		88.5	
FBI/Net worth (%)	4.8		4.4		3.4		3.9	
Management and Investment Income	8521		7620		771		4150	
Return on tenant's capital (%)	7.0		6.1		0.8		3.2	
Return on all capital (%)	1.3		1.2		0.1		0.6	

Table A6.2 LFA CATTLE AND SHEEP RESULTS
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

CONVENTIONAL

INCOME MEASURES	<i>Identical sample</i>				<i>Full sample</i>			
	2005/06		2006/07		2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	16122	127	11937	93	13021	108	8229	63
plus unpaid labour (excludes farmer and spouse)	3821	30	4938	38	4384	36	6161	47
plus imputed rent and rental value	10548	83	13366	104	9932	82	14668	113
plus semi-integrated non-agric activities output	0	0	0	0	0	0	65	0
plus farm business assets - sale and profit	1344	11	2519	20	737	6	1933	15
minus imputed rent on farmhouse & farm cottages	2842	22	3079	24	2838	23	3206	25
minus insurance repairs & net interest payments	2501	20	2942	23	1902	16	2616	20
minus build & works depreciation	2513	20	3862	30	2542	21	3779	29
minus semi-integrated non-agric activities costs	0	0	0	0	0	0	12	0
FARM BUSINESS INCOME	23979	188	22878	178	20792	172	21442	165
LABOUR USE AND LABOUR INCOMES								
Annual Labour Units per farm	1.8		1.9		1.8		1.9	
of which farmer & spouse	1.3		1.3		1.3		1.2	
of which paid family labour	0.1		0.0		0.1		0.1	
of which unpaid labour	0.3		0.4		0.3		0.4	
Notional value of farmer/spouse labour	17288		18030		17372		16926	
Value of paid family labour	1612		522		1214		960	
Labour income per Annual Labour Unit	8181		6143		6949		4972	
Family labour income per Family Work Unit	6485		2891		4577		572	
Value of paid managerial input	0		0		0		10	
TENANT'S CAPITAL - £ per farm								
Machinery	56232	441	57008	443	52382	433	57160	440
Livestock	82997	651	81031	629	75893	627	78034	601
Crops	3873	30	4285	33	3843	32	4241	33
Stores	1366	11	1360	11	1230	10	1389	11
TOTAL	144468	1134	143684	1116	133347	1101	140823	1084
ASSETS - £ per farm								
	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	356379	365489	365489	380512	335721	343954	398471	406611
Buildings, improvements and fixtures	13513	17058	17058	28569	12914	15690	19071	25436
Machinery	55317	57146	57147	56868	51666	53098	56356	57964
Livestock	83841	82154	82190	79872	76442	75344	79083	76984
Produce and goods in store	5279	5198	13270	11852	5173	4973	11901	9591
Quotas and single payment asset value	58293	56507	56072	54225	51900	49795	52539	51144
Credit balances	27657	28671	19434	17677	27651	29282	23175	22327
TOTAL	600278	612222	610659	629575	561466	572136	640596	650058
EXTERNAL LIABILITIES								
Long and medium term loans	15196	19923	20196	27933	10884	14303	21669	24979
Short term loans	7579	9514	9335	7458	5658	6833	4494	4557
Overdrafts	17505	14591	15706	16910	14388	14212	18241	20214
TOTAL	40280	44028	45237	52301	30931	35349	44404	49750
NET WORTH	559998	568194	565422	577319	530535	536787	596192	600353
RETURNS TO CAPITAL								
Owner Equity (%)	92.8		91.7		93.8		92.4	
FBI/Net worth (%)	4.3		4.0		3.9		3.6	
Management and Investment Income	-1163		-5263		-4316		-7948	
Return on tenant's capital (%)	-0.8		-3.7		-3.2		-5.6	
Return on all capital (%)	-0.2		-0.9		-0.8		-1.2	

Table A6.3 LFA CATTLE AND SHEEP FARM RESULTS ORGANIC
LAND UTILISATION AND CROP PERFORMANCE

LAND UTILISATION - hectares per farm	Identical sample		Full sample	
	2005/06	2006/07	2005/06	2006/07
Tillage - maincrops				
Wheat	0.0	0.3	0.3	0.2
Barley	0.8	1.2	1.2	1.8
Other cereals	2.0	1.3	1.3	1.1
Oil seed rape	0.0	0.0	0.0	0.0
Linseed	0.0	0.0	0.0	0.0
Peas/Beans	0.0	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0	0.0
Sugarbeet	0.0	0.0	0.0	0.0
Horticulture	0.0	0.0	0.0	0.0
Other crops	0.0	0.0	0.0	0.0
Total cropping	2.8	2.7	2.7	3.0
Set-aside	0.0	0.2	0.2	0.1
Tillage - fodder	1.4	1.9	1.4	1.8
Grassland				
Grazing, hay and silage	106.3	106.2	107.4	121.3
Fallow and land let	0.0	0.0	-0.1	0.1
Rough grazing				
Effective	15.5	15.5	14.4	18.6
Utilisable agricultural area (Effective ha.)	125.9	126.4	125.3	144.9
Woods, roads and buildings	12.9	12.9	8.9	11.6
TOTAL AREA (Actual ha.)	150.7	139.3	150.2	163.0
effective forage area	126.8	129.4	125.6	146.0
Bare land and forage hired in	3.8	5.9	2.4	4.3
CROP PERFORMANCE -Yields (tonnes per hectare)*				
Wheat	0.0	5.4	5.4	5.4
Barley	2.7	3.2	3.2	4.2
Oilseed Rape	0.0	0.0	0.0	0.0
Potatoes	0.0	0.0	0.0	0.0
Sugar Beet	0.0	0.0	0.0	0.0
- Prices (£ per tonne)*				
Wheat	0	100	100	100
Barley	110	115	115	99
Oilseed Rape	0	0	0	0
Potatoes	0	0	0	0
Sugar Beet	0	0	0	0

* Yield and price data is implied

Table A6.3 LFA CATTLE AND SHEEP FARM RESULTS CONVENTIONAL
LAND UTILISATION AND CROP PERFORMANCE

LAND UTILISATION - hectares per farm		<i>Identical sample</i>		<i>Full sample</i>	
		2005/06	2006/07	2005/06	2006/07
Tillage - maincrops	Wheat	0.0	0.0	0.1	0.1
	Barley	0.7	0.8	0.7	1.2
	Other cereals	0.3	0.3	0.2	0.1
	Oil seed rape	0.0	0.0	0.0	0.0
	Linseed	0.0	0.0	0.0	0.0
	Peas/Beans	0.0	0.0	0.0	0.0
	Potatoes	0.0	0.0	0.0	0.0
	Sugarbeet	0.0	0.0	0.0	0.0
	Horticulture	0.0	0.0	0.0	0.0
	Other crops	0.0	0.0	0.0	0.0
	Total cropping	1.1	1.1	1.0	1.4
	Set-aside	0.0	0.0	0.0	0.0
Tillage - fodder		0.4	0.4	0.4	1.1
Grassland	Grazing, hay and silage	112.9	113.6	105.9	113.4
Fallow and land let		0.4	1.0	0.3	0.4
Rough grazing	Effective	12.6	12.6	13.4	13.5
Utilisable agricultural area (Effective ha.)		127.4	128.7	121.1	129.9
Woods, roads and buildings		4.0	4.0	4.6	5.6
TOTAL AREA (Actual ha.)		149.1	132.7	125.6	135.5
effective forage area		133.4	133.7	125.6	136.7
Bare land and forage hired in		8.5	8.1	6.5	9.3
CROP PERFORMANCE - Yields (tonnes per hectare)*					
Wheat		0.0	0.0	10.2	8.3
Barley		5.5	4.4	4.7	5.0
Oilseed Rape		0.0	0.0	0.0	0.0
Potatoes		0.0	0.0	0.0	0.0
Sugar Beet		0.0	0.0	0.0	0.0
- Prices (£ per tonne)*					
Wheat		0	0	0	0
Barley		0	0	0	89
Oilseed Rape		0	0	0	0
Potatoes		0	0	0	0
Sugar Beet		0	0	0	0

* Yield and price data is implied

**Table A6.4 LFA CATTLE AND SHEEP RESULTS
STOCKING AND LIVESTOCK PERFORMANCE**

ORGANIC

LIVESTOCK CARRIED - L.U. per farm	<i>Identical sample</i>				<i>Full sample</i>			
	2005/06		2006/07		2005/06		2006/07	
	LU	No's	LU	No's	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0	1.6	2	0.0	0
Beef cows	30.9	41	29.1	39	24.2	32	27.9	37
Other cattle	41.3	80	40.0	79	33.0	64	39.0	75
Breeding sheep	47.1	589	47.3	591	41.5	540	45.1	564
Other sheep	13.1	317	12.9	315	11.7	285	12.9	314
Pigs	0.0	0	0.0	0	0.0	1	0.2	1
Poultry	0.1	6	0.1	6	0.1	8	0.1	8
Other livestock	0.0	0	0.0	0	0.0	0	0.0	12
TOTAL (L.U.)	132.5		129.4		112.1		125.2	

STOCKING RATES

Stocking rate (LU per eff.ha)	1.1	1.0	0.9	0.9
GLU/forage effective hectare*	1.0	1.0	0.9	0.9

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*

Dairy cows (litres)	0	0	5468	0
Dairy cows	0	0	316	0
Dairy calves	0	0	68	0
Dairy heifers in calf	0	0	0	0
Beef heifers in calf	500	647	550	647
Fat cattle	708	818	712	791
Beef store cattle 1-2 yrs	436	521	419	588
Beef stores <1 yr	65	362	188	356
Ewes	31	47	39	44
Ewe hoggs	42	47	46	44
Fat lambs	46	50	45	48
Store lambs	33	37	30	28
Fat Pigs	0	0	0	60
Milk (pence per litre)	0.0	0.0	17.2	0.0
Wool (pence per kg)	48.7	51.1	51.0	48.2

* Price data is implied

**Table A6.4 LFA CATTLE AND SHEEP RESULTS
STOCKING AND LIVESTOCK PERFORMANCE**

CONVENTIONAL

	<i>Identical sample</i>				<i>Full sample</i>			
	2005/06		2006/07		2005/06		2006/07	
	LU	No's	LU	No's	LU	No's	LU	No's
LIVESTOCK CARRIED - L.U. per farm								
Dairy cows	0.0	0	0.0	0	0.0	0	0.3	0
Beef cows	35.8	48	34.2	46	32.5	43	29.7	40
Other cattle	38.6	80	36.9	76	34.4	71	40.1	76
Breeding sheep	60.9	759	60.3	753	56.8	709	59.5	744
Other sheep	19.9	487	18.9	460	18.4	450	19.2	469
Pigs	0.2	1	0.2	2	0.1	1	0.2	2
Poultry	0.1	4	0.1	6	0.0	2	0.0	0
Other livestock	0.0	0	0.0	0	0.0	0	0.0	1
TOTAL (L.U.)	155.5		150.6		142.2		149.0	
STOCKING RATES								
Stocking rate (LU per eff.ha)	1.2		1.2		1.2		1.1	
GLU/forage effective hectare*	1.2		1.1		1.1		1.1	
* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock								
LIVESTOCK PERFORMANCE - Prices (£ per head)*								
Dairy cows (litres)	0		0		0		6477	
Dairy cows	0		0		0		273	
Dairy calves	0		0		0		0	
Dairy heifers in calf	0		0		0		672	
Beef heifers in calf	493		385		583		628	
Fat cattle	566		630		555		642	
Beef store cattle 1-2 yrs	453		473		453		483	
Beef stores <1 yr	333		380		306		343	
Ewes	110		60		51		46	
Ewe hoggs	53		47		51		42	
Fat lambs	41		40		41		39	
Store lambs	34		32		34		31	
Fat Pigs	58		65		58		61	
Milk (pence per litre)	0.0		0.0		0.0		15.2	
Wool (pence per kg)	47.2		42.4		48.5		42.4	

* Price data is implied

Table A7.1 MIXED FARM RESULTS		ORGANIC			
		<i>Full sample</i>			
OUTPUTS AND INPUTS		2005/06		2006/07	
Sample number		10		9	
Average farm size (UAA)		111		121	
Business size (ESU)		43		51	
OUTPUTS		£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	0	0	0	0
	cattle	0	0	0	0
	net quota	0	0	0	0
	valuation change	0	0	0	0
Other cattle	output	19221	173	27843	230
	valuation change	4138	37	1767	15
Sheep -	total output	13645	123	9821	81
	valuation change	-1706	-15	-567	-5
Other livestock		3390	30	8	0
Arable crops	output	12006	108	25612	211
	protein/energy support	114	1	3	0
By products forage and cults		5177	47	5351	44
Miscellaneous (incl. farmhouse benefit value)		10508	94	11324	93
	- organic grants	1119	10	1248	10
	- other agri-env.payments	5752	52	6542	54
	- subsidy/single farm payment	24750	223	26666	220
	FARM REVENUE	98114	882	115618	953
INPUTS					
Feeds	purchased concentrates	1049	9	2724	22
	homegrown concentrates	1788	16	3099	26
Purchased fodder, Tack and stock keep		529	5	988	8
Veterinary and medicines		1616	15	2068	17
Other livestock costs		6254	56	5956	49
Seeds -	purchased and homegrown	3300	30	3479	29
Fertilisers		787	7	1844	15
Crop protection		34	0	46	0
Other crop costs		920	8	1480	12
Labour	paid incl. paid management	5110	46	2646	22
	casual	2210	20	1723	14
Machinery	contract	3289	30	5985	49
	repairs	5659	51	5666	47
	fuels	5352	48	5606	46
General farming costs		10493	94	9742	80
Land expenses		2685	24	4047	33
Rent		7011	63	9676	80
	FARM EXPENSES	58083	522	66775	551
Excess of expenses over revenue		40030	360	48843	403
Notional inputs					
	- rental value/imputed rent	9465	85	8307	68
	- unpaid labour	5544	50	5182	43
	- machinery depreciation	9849	89	10500	87
		24858	223	23989	198
NET FARM INCOME (excl. BLSA)		15172	136	24853	205
NET FARM INCOME (incl. BLSA)		15030	135	26086	215

Table A7.1 MIXED FARM RESULTS
OUTPUTS AND INPUTS

		<i>Full sample</i>			
		2005/06		2006/07	
Sample number		62		51	
Average farm size (UAA)		108		118	
Business size (ESU)		48		49	
OUTPUTS		£/farm	£/ha	£/farm	£/ha
Dairy -	milk output	123	1	110	1
	cattle	2717	25	837	7
	net quota	0	0	0	0
	valuation change	-2756	-25	-972	-8
Other cattle	output	22255	206	24112	205
	valuation change	-747	-7	2539	22
Sheep -	total output	13561	125	12282	104
	valuation change	1146	11	589	5
Other livestock		384	4	669	6
Arable crops	output	13733	127	18124	154
	protein/energy support	17	0	266	0
By products forage and cults		6089	56	10660	91
Miscellaneous (incl. farmhouse benefit value)		9713	90	15181	129
	- organic grants	0	0	0	0
	- other agri-env.payments	2201	20	6454	55
	- single payment scheme	23657	218	23245	200
	FARM REVENUE	92094	851	114097	970
INPUTS					
Feeds	purchased concentrates	5143	47	6258	53
	homegrown concentrates	3852	36	3625	31
	Purchased fodder, Tack and stock keep	654	6	274	2
	Veterinary and medicines	2040	19	2175	18
	Other livestock costs	5021	46	5585	47
Seeds -	purchased and homegrown	1655	15	1772	15
	Fertilisers	4937	46	5020	43
	Crop protection	3002	28	3591	31
	Other crop costs	1234	11	1672	14
Labour	paid incl. paid management	3147	29	3419	29
	casual	1335	12	1536	13
Machinery	contract	5523	51	5019	43
	repairs	3951	36	4807	41
	fuels	3936	36	4385	37
	General farming costs	8111	75	10503	89
	Land expenses	2067	19	3374	29
	Rent	7226	67	6391	54
	FARM EXPENSES	62834	580	69407	590
Excess of expenses over revenue		29260	270	44689	380
Notional inputs					
	- rental value/imputed rent	10235	95	14515	123
	- unpaid labour	4540	42	3849	33
	- machinery depreciation	9139	84	8160	69
		23913	221	26524	226
NET FARM INCOME (excl. BLSA)		5347	49	18076	154
NET FARM INCOME (incl. BLSA)		5525	51	18641	159

Table A7.2 MIXED FARM RESULTS **ORGANIC**
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Identical sample</i>			
	2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	15172	136	24853	205
plus unpaid labour (excludes farmer and spouse)	5544	50	5182	43
plus imputed rent and rental value	6369	57	8233	68
plus semi-integrated non-agric activities output	0	0	0	0
plus farm business assets - sale and profit	0	0	0	0
minus imputed rent on farmhouse & farm cottages	2049	18	2529	21
minus insurance repairs & net interest payments	4430	40	5922	49
minus build & works depreciation	2300	21	1635	13
minus semi-integrated non-agric activities costs	0	0	0	0
FARM BUSINESS INCOME	18305	165	28183	232
LABOUR USE AND LABOUR INCOMES				
Annual Labour Units per farm	2.1		1.9	
of which farmer & spouse	1.4		1.3	
of which paid family labour	0.1		0.1	
of which unpaid labour	0.3		0.3	
Notional value of farmer/spouse labour	17419		20436	
Value of paid family labour	1861		1140	
Labour income per Annual Labour Unit	9773		13632	
Family labour income per Family Work Unit	5943		12545	
Value of paid managerial input	0		0	
TENANT'S CAPITAL - £ per farm				
Machinery	58085	522	59810	493
Livestock	53762	483	58873	485
Crops	16622	149	21718	179
Stores	1859	17	4437	37
TOTAL	130328	1171	144837	1194
ASSETS - £ per farm				
	Opening Value	Closing Value	Opening Value	Closing Value
Land and Property	304184	313035	202579	213701
Buildings, improvements and fixtures	10998	13397	7659	6911
Machinery	55292	60878	59137	60482
Livestock	52617	54907	57640	60106
Produce and goods in store	20808	16153	32393	36983
Quotas and single payment asset value	52375	48540	54277	48464
Credit balances	25742	36713	31471	29445
TOTAL	522017	543623	445156	456092
EXTERNAL LIABILITIES				
Long and medium term loans	35107	33762	60678	59298
Short term loans	11350	14258	26949	26417
Overdrafts	10213	27030	22880	27177
TOTAL	56669	75049	110508	112891
NET WORTH	465348	468574	334648	343201
RETURNS TO CAPITAL				
Owner Equity (%)	86.2		75.2	
FBI/Net worth (%)	3.9		8.4	
Management and Investment Income	-2389		5650	
Return on tenant's capital (%)	-1.8		3.9	
Return on all capital (%)	-0.5		1.3	

Table A7.2 MIXED FARM RESULTS **CONVENTIONAL**
INCOME MEASURES AND RETURNS TO LABOUR & CAPITAL

INCOME MEASURES	<i>Identical sample</i>			
	2005/06		2006/07	
	£/farm	£/ha	£/farm	£/ha
NET FARM INCOME (excl. BLSA)	5347	49	18076	154
plus unpaid labour (excludes farmer and spouse)	4540	42	3849	33
plus imputed rent and rental value	10146	94	14386	122
plus semi-integrated non-agric activities output	0	0	84	1
plus farm business assets - sale and profit	0	0	80	1
minus imputed rent on farmhouse & farm cottages	3152	29	4718	40
minus insurance repairs & net interest payments	4263	39	3665	31
minus build & works depreciation	1603	15	2618	22
minus semi-integrated non-agric activities costs	0	0	0	0
FARM BUSINESS INCOME	11014	102	25474	217
LABOUR USE AND LABOUR INCOMES				
Annual Labour Units per farm	1.7		1.8	
of which farmer & spouse	1.2		1.2	
of which paid family labour	0.0		0.0	
of which unpaid labour	0.3		0.2	
Notional value of farmer/spouse labour	17700		19810	
Value of paid family labour	666		406	
Labour income per Annual Labour Unit	3967		10743	
Family labour income per Family Work Unit	-1197		8634	
Value of paid managerial input	0		0	
TENANT'S CAPITAL - £ per farm				
Machinery	47948	443	51476	438
Livestock	59457	549	53874	458
Crops	12170	112	14154	120
Stores	4620	43	5899	50
TOTAL	124195	1147	125403	1066
ASSETS - £ per farm				
	Opening	Closing	Opening	Closing
	Value	Value	Value	Value
Land and Property	307833	326841	376475	405777
Buildings, improvements and fixtures	6972	8695	13647	15977
Machinery	46837	49060	49113	53839
Livestock	60528	58386	52582	55166
Produce and goods in store	17514	16066	33787	32846
Quotas and single payment asset value	62364	55974	52082	45741
Credit balances	19512	24682	16000	19712
TOTAL	521559	539703	593687	629058
EXTERNAL LIABILITIES				
Long and medium term loans	22837	21872	23283	20597
Short term loans	11400	11730	11310	12861
Overdrafts	34828	37306	28918	33986
TOTAL	69066	70909	63511	67444
NET WORTH	452493	468901	530265	561614
RETURNS TO CAPITAL				
Owner Equity (%)	86.9		89.3	
FBI/Net worth (%)	2.4		4.8	
Management and Investment Income	-12175		-1168	
Return on tenant's capital (%)	-9.8		-0.9	
Return on all capital (%)	-2.3		-0.2	

Table A7.3 Mixed Farm Results**ORGANIC****LAND UTILISATION AND CROP PERFORMANCE**

LAND UTILISATION - hectares per farm		<i>Full sample</i>	
		2005/06	2006/07
Tillage - maincrops	Wheat	11.9	11.8
	Barley	1.8	7.7
	Other cereals	6.4	9.3
	Oil seed rape	0.0	0.0
	Linseed	0.0	0.0
	Peas/Beans	5.6	8.1
	Potatoes	0.0	0.0
	Sugarbeet	0.0	0.0
	Horticulture	0.0	0.0
	Other crops	0.2	2.3
	Total cropping	25.9	39.2
	Set-aside	1.3	2.1
Tillage - fodder		2.1	2.0
Grassland	Grazing, hay and silage	77.5	75.9
Fallow and land let		4.0	1.6
Rough grazing	Effective	0.4	0.4
Utilisable agricultural area (Effective ha.)		111.2	121.3
Woods, roads and buildings		2.4	2.3
TOTAL AREA (Actual ha.)		113.6	123.6
effective forage area		84.5	79.3
Bare land and forage hired in		4.4	0.9
CROP PERFORMANCE - Yields (tonnes per hectare)*			
Wheat		3.5	4.5
Barley		3.4	2.9
Oilseed Rape		0.0	0.0
Potatoes		0.0	0.0
Sugar Beet		0.0	0.0
- Prices (£ per tonne)*			
Wheat		145	189
Barley		139	145
Oilseed Rape		0	0
Potatoes		0	0
Sugar Beet		0	0

* Yield and price data is implied

Table A7.3 Mixed Farm Results**CONVENTIONAL****LAND UTILISATION AND CROP PERFORMANCE**

LAND UTILISATION - hectares per farm		<i>Full sample</i>	
		2005/06	2006/07
Tillage - maincrops	Wheat	10.6	14.6
	Barley	10.5	9.7
	Other cereals	3.7	3.7
	Oil seed rape	2.6	2.6
	Linseed	0.2	0.0
	Peas/Beans	1.5	1.5
	Potatoes	0.0	0.0
	Sugarbeet	0.3	0.1
	Horticulture	0.0	0.0
	Other crops	0.3	0.0
	Total cropping	29.8	32.2
	Set-aside	4.7	5.5
Tillage - fodder		2.6	2.9
Grassland	Grazing, hay and silage	69.0	74.8
Fallow and land let		2.2	2.0
Rough grazing	Effective	0.0	0.2
Utilisable agricultural area (Effective ha.)		108.3	117.6
Woods, roads and buildings		2.7	3.2
TOTAL AREA (Actual ha.)		111.0	120.8
effective forage area		82.6	87.1
Bare land and forage hired in		11.1	9.2
CROP PERFORMANCE - Yields (tonnes per hectare)*			
Wheat		6.8	7.0
Barley		5.5	5.4
Oilseed Rape		3.5	3.1
Potatoes		49.6	31.7
Sugar Beet		39.4	60.7
- Prices (£ per tonne)*			
Wheat		66	84
Barley		67	84
Oilseed Rape		149	161
Potatoes		57	151
Sugar Beet		27	0

* Yield and price data is implied

Table A7.4 Mixed Farm Results
STOCKING AND LIVESTOCK PERFORMANCE

ORGANIC

LIVESTOCK CARRIED - L.U. per farm	<i>Full sample</i>			
	2005/06		2006/07	
	LU	No's	LU	No's
Dairy cows	0.0	0	0.0	0
Beef cows	27.1	36	24.6	33
Other cattle	34.2	67	46.2	87
Breeding sheep	18.6	194	11.8	115
Other sheep	7.2	176	3.9	96
Pigs	0.0	0	0.0	0
Poultry	3.7	529	0.0	0
Other livestock	0.0	2	0.0	4
TOTAL (L.U.)	90.7		86.6	

STOCKING RATES

Stocking rate (LU per eff.ha)	0.8	0.7
GLU/forage effective hectare*	1.1	1.1

* for organic farms, pigs, poultry and other livestock are deemed to be grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*

Dairy cows (litres)	0	0
Dairy cows	0	0
Dairy calves	0	0
Dairy heifers in calf	0	0
Beef heifers in calf	525	0
Fat cattle	740	759
Beef store cattle 1-2 yrs	448	620
Beef stores <1 yr	150	0
Ewes	0	40
Ewe hogs	57	0
Fat lambs	52	57
Store lambs	38	34
Fat Pigs	0	0
Milk (pence per litre)	0.0	0.0
Wool (pence per kg)	53.3	46.0

* Price data is implied

Table A7.4 Mixed Farm Results
STOCKING AND LIVESTOCK PERFORMANCE

CONVENTIONAL

LIVESTOCK CARRIED - L.U. per farm	<i>Full sample</i>			
	2005/06		2006/07	
	LU	No's	LU	No's
Dairy cows	0.4	0	0.1	0
Beef cows	14.2	19	14.2	19
Other cattle	48.9	87	45.9	86
Breeding sheep	29.9	288	28.5	276
Other sheep	8.2	202	6.0	145
Pigs	0.2	1	0.4	2
Poultry	0.0	9	0.2	17
Other livestock	0.0	0	0.0	0
TOTAL (L.U.)	101.8		95.3	

STOCKING RATES

Stocking rate (LU per eff.ha)	0.9	0.8
GLU/forage effective hectare*	1.2	1.1

* for conventional farms, pigs, poultry and other livestock are deemed to be non-grazing livestock

LIVESTOCK PERFORMANCE - Prices (£ per head)*

Dairy cows (litres)	1953	6228
Dairy cows	523	423
Dairy calves	0	0
Dairy heifers in calf	875	577
Beef heifers in calf	472	470
Fat cattle	599	610
Beef store cattle 1-2 yrs	494	457
Beef stores <1 yr	195	369
Ewes	54	49
Ewe hogs	58	43
Fat lambs	48	46
Store lambs	38	36
Fat Pigs	62	70
Milk (pence per litre)	17.6	15.0
Wool (pence per kg)	53.4	46.0

* Price data is implied

Appendix 2 The farm classification system

For each farm in the survey, each hectare of crop area and each head of livestock are assessed in terms of Standard Gross Margins (SGMs). These SGMs are expressed in European Currency Units, with 1200 such units equivalent to 1 European Size Unit (ESU).

Farm size is measured for a particular farm by the number of ESUs registered in total, and this is thus a measure of the size of the farm business. It is a measure of the economic size of businesses in terms of the value they add to variable inputs and thus differs from physical measures, such as area, which take no account of the intensity of production. The survey is designed to cover farms of at least 8 ESU in size.

Farm type is determined for a particular farm by the proportion of the SGM total accounted for by each enterprise. Precise details of the typology are complex, but may be summarised as follows:

<i>Farm type</i>	<i>Characteristics</i>
Cropping	In this report, two categories are combined:
<i>Cereals</i>	Farms on which cereals and other crops generally found in cereal rotations account for more than two thirds of their total SGM.
<i>General cropping</i>	Farms on which arable crops (including field scale vegetables) account for more than two thirds of their total SGM excluding farms classified as <i>cereals</i> .
Horticulture	Farms where horticultural crops or permanent crops including fruit, either alone or in combination, account for over one-third of total SGM and form the largest enterprise group.
Dairy	Farms where the dairy enterprise, including followers, accounts for over one third, and commonly over two-thirds of total SGM and is the largest enterprise group.
Cattle and Sheep	In this report, two categories are presented separately:
<i>Lowland livestock</i>	Farms outside the Less Favoured Areas on which grazing livestock, other than dairy cattle, account for over one-third, commonly over two-thirds, of total SGM, and form the largest enterprise group, or farms on which grazing livestock (except dairy cattle) and field crops each account for over one-third but less than two-thirds of total SGM.
<i>LFA livestock</i>	Farms in the Less Favoured Areas on which sheep, cattle or cattle and sheep together, other than dairy cattle, account for over one-third of total SGM, commonly over two-thirds and are the largest enterprise group.
Mixed	Farms with a range of enterprise where none clearly predominates.

Appendix 3 Definition of terms and abbreviations

Breeding Livestock Appreciation (BLSA)

BLSA is that element of Net Farm Income resulting from changes in breeding livestock prices between the opening and closing valuations. It is calculated by multiplying for each category of breeding livestock the change in the opening and closing valuations by the average number of livestock in that category during the year.

Cash Income

Cash income is based on actual receipts and actual expenditure. It represents the difference between receipts and expenditure on current account, before depreciation charges and investment spending.

Effective Hectares (Eff. ha)

The effective hectareage constitutes the total farm area minus the area occupied by roads, woodland, wasteland and buildings, and with rough grazings expressed in terms of their pasture equivalent. E.g. on a particular farm, 20 hectares of rough grazing in terms of its capacity to carry stock may be worth 4 hectares of permanent pasture - it is therefore regarded as being 4 effective hectares. A notional area is also estimated for the use made of any common grazings.

Enterprise Output

Enterprise output is all returns from an enterprise, plus the market value of any of its products transferred out to another enterprise, plus the market value of any production from the enterprise given to workers or consumed on the farm. In the case of livestock enterprises, the value of purchased livestock and the market value of livestock transferred in from another enterprise are deducted. All totals are adjusted for changes in valuation. Milk output includes quota transactions and any super-levies paid, have been deducted.

General Farming Costs

General farming costs include electricity, water and telephone charges, licences, insurances, subscriptions, professional charges, etc.

Farm Business Income

Farm Business Income (FBI) represents the return to all unpaid labour (farmers, spouses and others with an entrepreneurial interest in the farm business) and to all their capital invested in the farm business including land and farm buildings. It is defined as Total Farm Output (TFO) plus profit/loss on sale of assets minus cost (C), where: TFO is defined as the sum of output from: crop enterprises, adjustment for disposal of previous crops, livestock enterprises, separable non-agricultural diversification, single farm payment, agri-environmental payments, other grants and subsidies, miscellaneous receipts; C is defined as variable costs plus fixed costs.

Livestock Units (LU) and Grazing Livestock Units (GLU)

Livestock numbers are converted to livestock units, which are based on estimated energy requirements, in order to calculate the total stocking of grazing livestock on the farm. The following conversion factors are used:

Dairy cow	1.00	Hill ewe	0.06
Beef/hill cow	0.75	Upland ewe	0.08
Beef/dairy bull	0.65	Lowland ewe	0.11
Beef/dairy heifer	0.80	Ram	0.08
Other cattle – 2 years old and over	0.80	Ewe lamb	0.08
- 1 to 2 years old	0.65	Other sheep 1 year old and over	0.08
- under 1 year old	0.34	Store lamb under 1 yr.	0.04

Management and Investment Income (MII)

MII is total farm enterprise output less total inputs (including the value of the labour input of the farmer and spouse). It represents the reward for the farmer and spouse's management plus interest on the tenant's capital employed on the farm.

Margin over concentrates

Margin over concentrates is the difference between milk sales and the value of purchased and home grown concentrates used for the dairy herd.

Miscellaneous Output

Miscellaneous output includes contract work, farm cottage rents, benefit value of farmhouses, and profit on resale of purchased agricultural produce.

Net Farm Income (NFI)

NFI is total farm enterprise output less total inputs (excluding the value of the labour of the farmer and spouse). It is calculated as if all farms are tenanted, and represents the return to the farmer and spouse for their labour and management, and on the tenant-type capital of the business.

Net Worth

Net worth is the difference between total assets and total liabilities and represents the value of assets available to the business, all other claims against these assets having been met.

Occupier's Net Income

Occupier's net income is based on actual tenure and indebtedness. It represents the return to the farmer and spouse for their labour, management and investment in the farm business.

Other Crop Costs

Other crop costs include crop protection chemicals and other costs incurred specifically for crop enterprises and forage.

Other Livestock Costs

Other livestock costs include purchased bedding materials, and other costs incurred specifically for livestock enterprises.

Owner Equity

Owner equity is net worth expressed as a percentage of total assets.

Rental Value

For owner-occupied farms, a rental value is imputed to make it possible to compare results with farms on which rents have to be paid.

Return on All Capital

Return on all capital is management and investment income plus rental value expressed as a percentage of total capital.

Return on Tenant's Capital

Return on tenant's capital is management and investment income expressed as a percentage of total tenant's capital.

Tenant's Capital

Tenant's capital is the value of livestock, machinery, crops (including cultivations) and stores. In the tables, it is expressed as the average of the opening and closing valuations for these items.

Utilisable Agricultural Area

UAA is the land area that is actually farmed by the farmer excluding areas such as roads, farm yards, buildings woodlands, water or unused rough grazing.

Abbreviations used throughout text include:

ALU – Annual Labour Units

CCF – Comparable Conventional Farms

ESU – Economic Size Unit

FBI – Farm Business Income

FBS – Farm Business Survey

LFA – Less Favoured Area

LU – Livestock Unit

MII – Management and Investment Income

NFI – Net Farm Income

OFS – Organic Farming Scheme

SFP – Single Farm Payment

SGM – Standard Gross Margins

UAA – Utilisable Agricultural Area

Appendix 4 Numbers of farms to be sampled/recruited by type and region

The recruitment targets for 2006/07 are based on an analysis of registered organic businesses in 2005, classified by farm type and GOR. The guideline target samples try to ensure that the population distribution is reflected. To increase the useable data, new businesses recruited should have more than 70% fully organic land.

For England from 2006/07, it was agreed with Defra that guidelines for a minimum of 140 farms (70 in the main FBS and 70 from the supplementary data collection covered by this project) should provide for a minimum of 6 in each type category (see table), except:

- a) in the case of the LFA (DA & SDA) cattle and sheep categories, as these can be combined with each other and with Welsh data to achieve the 5 minimum
- b) horticulture, where the priority should be to achieve a minimum of 6 each 'small-scale market garden' and 'larger scale field vegetables' within the other horticulture category. If recruitment enables the specialist glass and fruit categories to be increased to 5 or 6, that would be welcome, but was not a requirement.
- c) specialist horses and pigs, where the organic population is too small.

For Wales, the recruitment priorities identified, taking account of the existing samples, are:

- a) Improve balance between LFA and lowland dairy if any lowland dairy farms drop out
- b) Recruit horticultural businesses if any cropping or mixed farms drop out
- c) Maintain current lowland cattle and sheep numbers
- d) Focus on recruiting LFA (DA) cattle & sheep businesses.
- e) Within in the SDA groups, cattle and sheep businesses are over-represented, and specialist sheep are under represented, so if any drop out of the former, they could be replaced by the latter if possible.

Table A8 Distribution of 2005/06 organic holdings in England and Wales by type and region and recruitment targets for 2006/07

FBSGor	Cereals	Dairy (LFA)	Dairy (Lowland)	General Cropping	Grazing Livestock (DA)	Grazing Livestock (Lowland)	Mixed	Other Cattle & Sheep (SDA)	Other Horticulture	Specialist Fruit	Specialist Glass	Specialist HNS	Specialist Horses	Specialist Pigs	Specialist Poultry	Specialist Sheep (SDA)	Grand Total England	Guideline target	Current FBS (2005/6)	To recruit
EAST	44		6	53		10	8		11	8	10	2	1	2	4		159	11	13	-2
EM	32	5	18	33	6	17	20	2	6	1	3	1			8		152	11	9	2
NE&YH	29	7	15	30	6	10	28	13	11		2	1	2		3	20	177	13	12	1
NW	5	8	40	7	1	18	12	16	5	1	6	1	3		3	7	133	10	6	4
SE&LON	59		21	27		58	47		17	17	11		4		9		270	20	10	10
SW	75	12	175	44	12	196	147	12	40	15	19	3	15	2	11	3	781	57	19	38
WM	27	8	52	33	4	42	34	8	17	11	4		3		4	1	248	18	2	16
Grand Total England	271	40	327	227	29	351	296	51	107	53	55	8	28	4	42	31	1920	140	71	70
Guideline target (min 6)	20	6	24	16	3	25	22	4	16	0	0	0	0	0	6	3	145	-5		
Wales guideline target		5	3	1	9	5	2	7	2							6	40	30	10	
Total guideline target	20	11	27	17	12	30	24	11	18	0	0	0	0	0	6	9	180			
Current FBS (2005/6) En	10	3	15	6	2	7	11	5	2	1	3	0	0	1	3	2	71			
To recruit England	10	3	9	10	1	18	11	0		10			0	0	3	1	70			
Current FBS Wales	0	2	5	1	2	5	4	8	0	0	0	0	0	0	0	3	30			
To recruit Wales	0	1		0	6	1	0	2	(2 if other cropping farms drop out)				0	0	0 see other	10				

Appendix 5 Organic and conventional farm comparisons

A key aspect of this research work was to derive a cluster of similar conventional farms for each organic farm to provide comparison data. By generating comparison farm data, it is possible to determine and understand further the economic performance of organic farms, their relative competitiveness and the impact of policy on them in relation to conventional farms.

6.1.1 Background

Issues relating to comparing results from organic and conventional farms have been discussed by Lampkin and Padel (1994)⁷ and Offermann and Nieberg (2000).⁸

The conventional farms selected need to be ‘comparable’. The objective is to isolate the effect of the farming system on profits, so the choice of characteristics for comparison must be restricted to ‘non-system determined’ factors, i.e. location (climate, topography, soil, and market distance), size and tenure. The use of clusters of similar conventional farms to compare with each organic farm has the advantage over paired farm comparisons in that specific circumstances of individual conventional farms do not distort the comparison. The average for a group of organic farms can then be compared with the average for the group of matched clusters with greater confidence when the farm size, type and location characteristics of the organic and conventional groups are similar.

The idea of using clusters of conventional farms for comparisons has been carried out before (Fowler et al., 1999)⁹, using a hierarchical cluster analysis technique on the basis of Euclidean squared difference; however, the method of clustering has been changed in this study.

6.1.2 Conventional farm selection

For each organic farm recorded, the aim was to generate a cluster of at least three comparable conventional farms (CCF) from the Farm Business Survey database (Defra, 2007)¹⁰. The emphasis for selection of comparable conventional farms for this study was to focus on resource endowment identifiers/variables. The resource endowment of the business is normally independent of the organic or conventional management, and is a reflection of the resources with which the farm manager can run the farm business.

The main identifiers required to be identical for determining resource endowment include:

- Region (FBS province) - assists with selecting farms with similar production conditions (i.e. location, market distance, institutional and policy frameworks);
- Less Favoured Area and Non- Less Favoured Area status (See Table A9);
- Altitude (See Table A10);
- Main farm type, which is more descriptive typing than robust type (see Table A11).

⁷ Lampkin, NH and S Padel (1994) *Economics of Organic Farming – an international perspective*. CAB International, Wallingford.

⁸ Offermann, F. and Nieberg, H. (2000) *Economic performance of organic farms in Europe*. Organic farming in Europe: Economics and Policy. Vol. 5. University of Hohenheim, Germany.

⁹ Fowler, S.; Lampkin, N. H. and Midmore, P. (2000) *Organic Farming Incomes in England and Wales 1995/96-1997/98*. Report to MAFF. Institute of Rural Studies, University of Wales, Aberystwyth.

¹⁰ Department for Environment, Food and Rural Affairs (Farm Business Division). *Farm Business Survey Data, 2005/06* [Computer File]. Colchester, Essex: The Data Archive [Distributor] 4th December 2007.

Table A9 Recoding of LFA codes to simplify the clustering procedure

Less Favoured Area Codes		LFA types
All land outside LFA	1	1
All land inside severely disadvantaged area (SDA)	2	2
All land inside disadvantaged area (DA)	3	
50%+ in LFA of which 50%+ in SDA	4	3
50%+ in LFA of which 50%+ in DA	5	
<50%+ in LFA of which 50%+ in SDA	6	4
<50%+ in LFA of which 50%+ in DA	7	

Table A10 Altitude codes for farms in the FBS/FADN system

Altitude Description	Code
Most of business below 300m	1
Most of business at 300m to 600m	2
Most of business at 600m or above	3

Table A11 Main type and robust types used in the FBS/FADN system

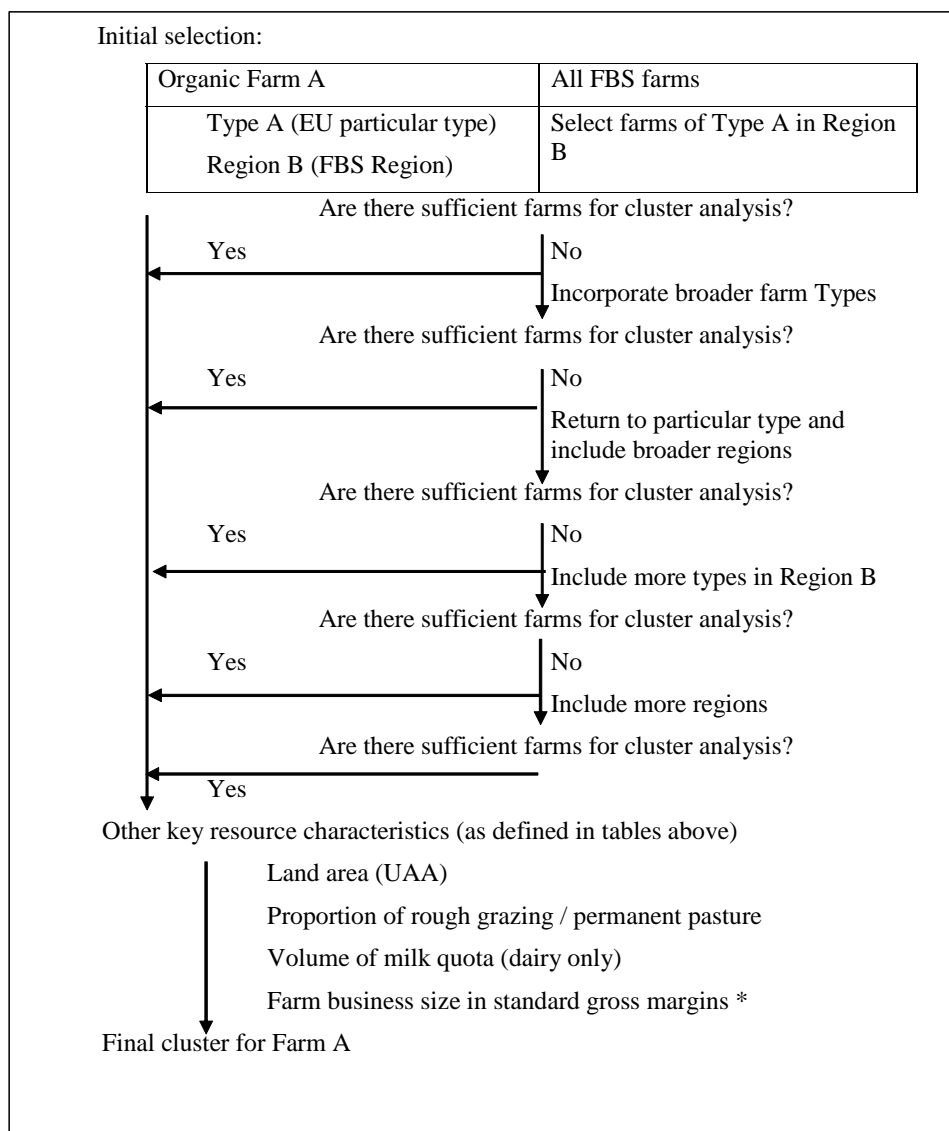
Farming Description	Main type	Robust type
Cereals	1	Cropping
General cropping	2	
Specialist fruit	3	Horticulture
Specialist glass	4	
Specialist hardy nursery stock	5	
Other horticulture	6	
Specialist pigs	7	Pigs and poultry
Specialist poultry	8	
Dairy (LFA)	9	Dairy
Dairy (lowland)	10	
Specialist sheep (SDA)	11	LFA cattle and sheep
Specialist beef (SDA)	12	
Mixed cattle & sheep (SDA)	13	
Cattle & sheep (DA)	14	
Cattle & sheep (lowland)	15	Lowland cattle and sheep
Cropping and dairy	16	Mixed
Cropping, cattle & sheep	17	
Cropping, pigs & poultry	18	
Cropping & mixed livestock	19	
Mixed livestock	20	

To prevent limiting the number of CCFs unduly, the above variables were reassigned different codes to allow some flexibility in deriving the comparison farm data.

To identify comparable farm data with similar resource endowment, pre-defined ranges were used for land (UAA), milk quota ownership (dairy farms only), proportion of permanent pasture and rough grazing land, and the farm business size in standard gross margins (ESU) per farm. The range was defined by a percentage deviation from the value of the respective organic farm (e.g. +/- 20%) and/or an absolute value to prevent organic farms with small values being lost from the sample. It was not possible to identify comparable cluster farms for horticulture businesses. Overall, the combination of variables for deriving farm clusters can be taken as a reasonable guide to identifying comparable resource endowment.

For all farm types, a standard procedure was undertaken to determine the comparable data selection per organic farm. However, it was not possible to achieve a reasonable number of CCFs in 33% of cases. Therefore, a hierarchical clustering approach was used, by adding farms of the same type from adjacent regions and on occasion increasing the pre-defined ranges per farm type (See Box 1 and Table A12).

Box 1 Conventional farm selection procedure



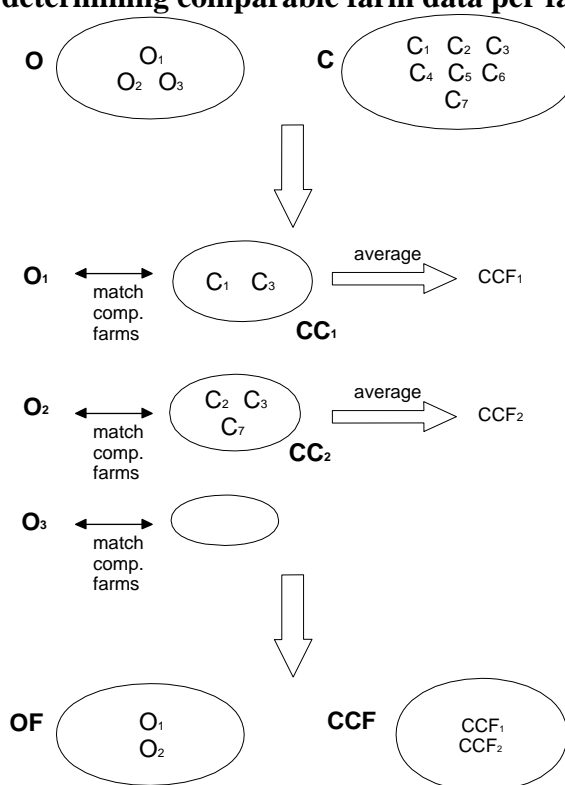
Farm business size, as measured by standard gross margins, is a measure of the potential economic activity of the particular mix and size of enterprises on the farm.

Table A12 Summary table to show the procedure used per farm type and the CCF results achieved (2006/07 farms)

	Cropping	Horticulture	Dairy (lowland)	Dairy (LFA)	Cattle and sheep		
					Lowland	LFA	Mixed
Total organic farms	15	n/a	23	6	23	29	9
Baseline clustering criteria							
Utilisable agricultural area [UAA] (+/- %)	20	-	30	30	20	20	30
Quota owned (+/- %)	n/a	-	30	30	n/a	n/a	30
Permanent Pasture [PP] (+/- %)	25	-	n/a	n/a	30	30	30
Rough Grazing [RG] (+/- %)	25	-	n/a	n/a	30	30	30
Economic Size Units [ESU] (+/- %)	30	-	30	30	30	30	30
LFA status/altitude	identical	-	identical	identical	identical	identical	identical
Main type	identical	-	identical	identical	identical	identical	identical
Region	identical	-	identical	identical	identical	identical	identical
No. of farms for which baseline cluster obtained (min 3 farms)	7	-	13	6	15	15	3
(as a percent)	47%	-	55%	100%	65%	52%	33%
Modifications required to achieve clusters for remaining farms							
Regional (broader selection)	-	-	7	-	-	-	4
Regional and/or RG/PP and/or UAA (broader selection)	8	-	3	-	6	4	2
LFA/altitude (non-identical criteria)	-	-	-	-	2	2	-
Main type (incorporate broader farm type definition)	-	-	-	-	-	8	-
Resulting final cluster statistics							
Average number of farms in cluster per organic farm	7.2	-	5.9	6	8.7	5.4	5.7
No. of organic farms with more than 5 farms (CCF) per cluster	9	-	14	2	17	15	7
% of organic farms with more than 5 farms (CCF) per cluster	60	-	61	33	74	52	78
Range of CCF per organic farm per farm type: Minimum	3	-	3	3	3	3	4
Maximum	18	-	12	6	19	14	9

Once the comparable conventional farm data were identified from the main Farm Business Survey database (sample C in Box 2) and for the organic farms (sample O), the comparable conventional farm data for each cluster (CC_n) were averaged. This effectively creates a single ('artificial') comparable conventional farm CCF_n for each organic farm (O_n). Note that farms from sample C could be used more than once (in different clusters). All organic farms with no comparable data were removed from sample O, leaving set OF as the subset of sample O with matching clusters, and CCF as the set of averages for each cluster of non organic businesses drawn from sample C. The robust type comparative analysis presented in this report is based on average values for businesses matching the robust type criteria drawn from OF, compared with average values for their corresponding clusters drawn from CCF.

Box 2. Procedure for determining comparable farm data per farm type



Source: Offermann, 2004.¹¹

6.1.3 Interpretation of results

As discussed earlier, the farms have been classified by Standard Gross Margins (SGMs), a typology system originally devised for conventional agricultural systems (see Appendix 2) and therefore not entirely appropriate for organic farms. Further, because of the systematic differences in structure on organic farms, clustering conventional farms is still only an approximate guide to the possible performance of organic farms if they were managed conventionally or vice versa.

The sample size for the comparison clusters is sufficiently large for a degree of confidence in the average value; however, there is still a possibility for outliers (especially larger farms) to have some disproportionate influence on the average.

¹¹ Offermann, F. (2004) Selection of comparable conventional farms: Some considerations for a general guideline. Unpublished project guidelines, Further Development of European Organic Farming Policy Project (www.irs.aber.ac.uk/euceeofp).