

Department of  
**Agriculture and  
Rural Development**  
[www.dardni.gov.uk](http://www.dardni.gov.uk)

AN ROINN  
**Talmhaíochta agus  
Forbartha Tuaithe**

MÄNNYSTRIE O  
**Fairms an  
Kintra Fordèrin**

POLICY AND ECONOMICS DIVISION

# Farm Incomes in Northern Ireland

2008/09



**Department of Agriculture and Rural Development  
Policy and Economics Division**

**FARM INCOMES  
IN  
NORTHERN IRELAND  
2008/09**

**A National Statistics Publication**

## **A National Statistics Publication**

National Statistics are produced to high professional standards set out in the National Statistics Code of Practice. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference. You can also find out more about National Statistics on the internet – go to [www.statistics.gov.uk](http://www.statistics.gov.uk)

Brief extracts from this publication may be reproduced provided the source is fully acknowledged.

Proposals for reproduction for larger extracts should be addressed to:

Office of Public Sector Information  
Information Policy Team  
St. Clements House  
2-16 Colegate  
Norwich  
NR3 1BQ.

Fax: 01603 723000  
e-mail: [HMSOlicensing@cabinet-office.x.gsi.gov.uk](mailto:HMSOlicensing@cabinet-office.x.gsi.gov.uk)

© Crown Copyright 2010

Cover design by DARD Media Services - Publications

## Contents

	Page
Foreword and Acknowledgements	1
Executive Summary	2
1. The Farm Business Survey	5
2. Farming Incomes	7
measures of income	7
income levels in 2007/08 and 2008/09	9
spare-time farms	13
direct payments	14
farm incomes excluding direct subsidies receipts	16
trends in farm incomes between 2001/02 and 2008/09	17
other sources of income	19
investment levels on farms	20
3. Financial Position of Farm Businesses	21
Assets, liabilities, and net worth of farms	21
rate of return on capital	24
bank borrowings	24
4. Enterprise Gross Margins	27
dairy cows	27
suckler cows	29
breeding ewes	30
pigs	32
spring barley	33
winter barley	34
winter wheat	35
potatoes	36
5. Fixed Costs	38
Appendices	39
Appendix 1 - Outputs, inputs and incomes by type of farm (>0.5 SLR)	40
- Incomes by type of farm (>1 SLR)	54
Appendix 2 Balance sheets by type of farm	55
Appendix 3 Enterprise Gross Margin results classified into Performance categories	63
Appendix 4 Definitions of terms used	78
Other publications available	82

## **FOREWORD AND ACKNOWLEDGEMENTS**

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

Most of the data in this report refer to the 2008/09 account year, which has an average year end of mid-February 2009 for the 378 farms in the survey. The farmers who participate in the survey do so voluntarily and their accounting information is provided on a confidential basis. Their co-operation in this survey is greatly appreciated, both for the information it provides on income levels and for the contribution it makes to knowledge of the economics of production.

Farm Business Income was introduced in 2008 as the headline measure of farm income following consultation in 2006/07. In light of views expressed during the consultation it was decided that the previous headline measure, Net Farm Income, would continue to be published for an interim period, but as a secondary measure.

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

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

**NORMAN FULTON**

Director of Policy and Economics  
March 2010

## EXECUTIVE SUMMARY

1. The average Farm Business Income across all farm businesses above 0.5 Standard Labour Requirements (SLRs) decreased from £31,822 to £27,195 per farm between 2007/08 and 2008/09. This resulted from an increase of 8.2% in the average value of farm output and an average increase in expenditure on inputs of 17.3%.
2. For the main farming enterprises, increases in gross margin between 2007/08 and 2008/09 were recorded for lowland beef cows, pigs, ware potatoes and all breeding ewe enterprises, whereas, decreases were recorded for dairy cows, SDA beef cows, DA beef cows, spring barley, winter barley and winter wheat.
3. Between 2007/08 and 2008/09 increases in Farm Business Income were recorded on 5 of the 7 main types of farm covered in the Farm Business Survey (FBS). Cereal and Dairy were the only farm types to show a decline in average Farm Business Income. Income results show that average Farm Business Income declined by £18,711 on Cereal farms and by £25,110 on Dairy farms.
4. A Farm Business Income above £10,000 was achieved by 71% of the farm businesses in the FBS in 2008/09; 11% of the farms incurred a loss.
5. Cash Income per farm, which is the difference between cash receipts and expenditure, decreased from an average of £42,683 in 2007/08 to £38,751 in 2008/09. This income measure provides the average amount of cash available per farm to cover living expenses and investment expenditure.
6. Direct payments increased by £2,074 per farm between 2007/08 and 2008/09 and averaged £23,361 per farm and £286 per hectare in 2008/09. (Section 2.4). Direct payments represented 86% of Farm Business Income and 60% of Cash Income generated across all types of farm in Northern Ireland.
7. Four of the seven main types of farm business generated a positive Farm Business Income in 2008/09 when direct subsidy receipts were not included in the value of farm output.
8. During the past 8 years the Farm Business Income on Dairy farms has been on average £18,302 per farm higher than that for Cattle and Sheep (LFA) farms. Dairy and LFA Cattle and Sheep type farms account for 73% of the farms classified as full-time businesses. (Section 2.6)
9. Off-farm income of the farmer and spouse averaged £5,858 per farm in 2008/09. However, on 50% of farm businesses no off-farm income was received by the farmer and spouse. This income source includes other employment off the farm and social payments. (Section 2.7).
10. In 2008/09, only the spouse of the farmer on 24% of the farms had off-farm employment, on a further 4% of farms the farmer had off-farm employment

and on another 5% of farms both the farmer and spouse had off-farm employment.

11. The average level of net investment per farm increased from £17,348 in 2007/08 to £24,853 in 2008/09. Investment levels in 2008/09 were the highest recorded in the past 10 years when inflation is taken into account. (Section 2.8).
12. External liabilities (mainly bank borrowings) averaged £34,068 per farm and equated to 3.2% of the total value of farm assets. On only 6% of farms, external liabilities represented more than 15% of the value of farm assets. (Section 3.1).
13. There were no bank borrowings recorded by 56% of farms in 2008/09 and 86% had borrowings of less than £50,000 per farm. (Section 3.3).
14. At farm enterprise level:

### **Dairy Cows**

- (i) The average gross margin per dairy cow decreased by £177, from £846 in 2007/08 to £669 in 2008/09. This decrease was due to the fall in milk receipts and rise in variable costs.
- (ii) The difference in herd gross margin between those in the top 25% and bottom 25% performance groups amounted to £40,733 for a herd of average size in the Farm Business Survey. (Section 4.1).

### **Suckler Cows**

- (i) The average gross margins for SDA and DA cows decreased by £2, and £15 per cow respectively between 2007/08 and 2008/09, whereas the gross margin of Lowland cows increased by £3 per cow.
- (ii) Lowland suckler cow herds had the highest average gross margin per cow, at £137, while DA herds averaged £126 and SDA herds £97 in 2008/09. (Section 4.2).

### **Sheep**

- (i) Between 2007/08 and 2008/09 the average gross margins per breeding ewe in the SDA, DA and lowland flocks increased by £1, £8 and £13 respectively.
- (ii) The highest average gross margin per ewe of £46 was achieved by the Lowland flocks and this was £5 higher than for ewes in upland flocks and £35 higher than for ewes in SDA flocks. (Section 4.3).

## Pigs

On birth to bacon pig units the average gross margin per pig increased from £15.31 in 2007/08 to £20.75 in 2008/09. Between 2007/08 and 2008/09, the average finished price for pigs increased by £11.49 per pig and the average cost of feedstuffs increased by £6.51 per pig. (Section 4.4).

## Cereals

- (i) The average gross margins per hectare for spring barley, winter barley and winter wheat crops were lower in 2008/09 than in 2007/08. Decreases in gross margin per hectare were spring barley (£368), winter barley (£79), and winter wheat (£496).
- (ii) The winter barley crop had the highest average gross margin of the three main cereal crops, at £769 per hectare, followed by winter wheat at £680 and spring barley at £380. (Sections 4.5-4.7).

## Potatoes

In 2008/09 the average gross margin for ware potatoes increased from £3,143 per hectare in 2007/08 to £3,652 per hectare in 2008/09, an increase of £509. The ware crop yield per hectare decreased from 35.3 tonnes in 2007/08 to 31.3 tonnes in 2008/09, whereas, the ware potato price per tonne increased by £39 per tonne from £136 per tonne in 2007/08 to £175 per tonne in 2008/09. (Sections 4.8).

## Fixed Costs

- 15. The average levels of fixed costs (excluding labour) per hectare across all farm types were higher in 2008/09 than in 2007/08, at £411 and £445 respectively. (Section 5.0).

## **1. THE FARM BUSINESS SURVEY**

### **1.1 Introduction**

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

- <http://ec.europa.eu/agriculture/rica/index.cfm>
- [http://ec.europa.eu/agriculture/analysis/fadn/index\\_en.htm](http://ec.europa.eu/agriculture/analysis/fadn/index_en.htm)

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

### **1.2 Farm Business Survey Sample**

The sample of farms in the FBS is representative in terms of types and sizes of almost all of the population of farm businesses above 0.5 Standard Labour Requirements (SLRs) (see Appendix 4 for definition) in Northern Ireland. The coverage does not extend to Horticultural holdings because it has proved difficult to obtain a robust sample.

The size threshold of 0.5 SLRs for farms in the survey corresponds with that in the other 3 countries of the UK. However, in recognition of the fact that Northern Ireland has 13,328 Cattle and Sheep farms which have an employment requirement of less than 0.5 SLRs, a sub-sample of farms of this type is included in the farms surveyed.

In Northern Ireland, farm accounts information was received from 378 farm businesses for the 2008/09 accounting year. All of these farms participate on a voluntary basis with 66% having provided information for at least 10 years. A smaller sample of 275 farm businesses over 0.5 SLRs in size provided information for both the 2007/08 and 2008/09 account years and this constitutes the 'identical sample' of farms. The end of the account year for 89% of the farms falls between 31 December and 30 April. Thus, the 2008/09 account year information presented in this report refers to the 2008 crop and grassland production years.

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

With crops utilising only 5%, and forestry 1%, of the land on agricultural holdings in Northern Ireland, the main land using farm enterprises are grass based. The main enterprises are, therefore, dairying, beef cattle and sheep. This is reflected in the FBS sample of farms, details of which are given in Table 1. On average, a target sampling rate of farms of 2.75% has been used across all farm types since 1992/93.

**Table 1 Numbers of farms in Northern Ireland and in the Farm Business Survey above 0.5 SLR's by type of farming, 2008/09**

Type of Farm Business	Number of Farm Businesses	
	Northern Ireland*	FBS Sample**
Cereals	199	10
General Cropping	154	4
Horticulture	218	-
Pigs and Poultry	391	4
Dairy	3,289	103
Cattle and Sheep (LFA)	4,158	113
Cattle and Sheep (Lowland)	1,460	27
Mixed	583	14
Others	235	-
<b>All Types</b>	<b>10,687</b>	<b>275</b>

\* Number of farm businesses above 0.5 SLRs in size at June 2008 Census; there are 15,265 farms in Northern Ireland under 0.5 SLRs.

\*\* Refers to the number of farms above 0.5 SLRs in size, which provided information in both the 2007/08 and 2008/09 account years, and which were used in the analyses. A further 39 cattle and sheep farms of less than 0.5 SLRs in size provided information in both years.

## 2. FARMING INCOMES

### 2.1 Measures of Income

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

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

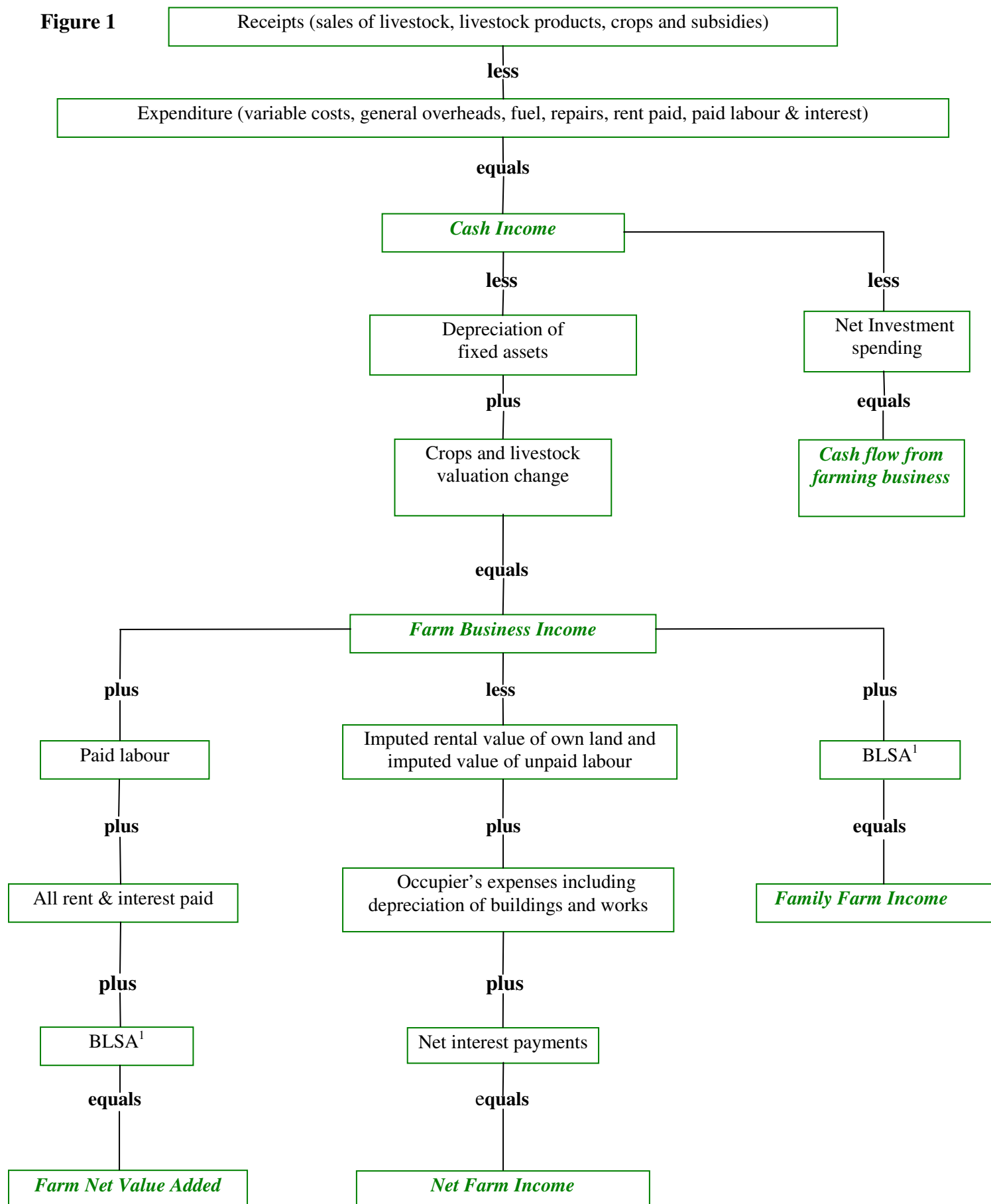
FBI differs from NFI in that it represents the return to all unpaid labour, not just the farmer and spouse and it treats the tenure of farms as it is: tenants as tenants, owner occupiers as owner occupiers and those with both types of tenure as mixed.

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

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

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

**Figure 1**



1. Breeding Livestock Stock Appreciation

Having different measures of income, the infrequent user of income data may be in a quandary as to which income measure to use. However, as with many statistics, the various income measures have specific roles. Quite often the wrong income measure is used. Farm Business Income is an appropriate measure of the return to the farm household for their labour and capital resources invested in the farm business. Net Farm Income is an appropriate measure of income where the aim is to put different types of farm tenure on an equal basis. Cash Income is calculated as the difference between cash receipts and cash expenditures (excluding investments) and therefore provides a measure of the cash available to the farm household.

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

## 2.2 Income Levels in 2007/08 and 2008/09

Average Farm Business Income, Cash Income, and Net Farm Income measured across all farm types is shown in table 2a for the accounting years 2007/08 and 2008/09. As shown, average Farm Business Income decreased between 2007/08 and 2008/09 by £4,627 or 14.5% per farm. This resulted from an 8.2% increase in the value of outputs and a 17.3% increase in expenditure on inputs between 2007/08 and 2008/09. On the other hand, average Cash Income decreased by £3,932 or 9.2% when compared to the previous year. When measuring Farm Income using the previous headline measure Net Farm Income, an average decrease of £3,803 or 16.0% per farm occurred between 2007/08 and 2008/09.

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

	2007/08 £	2008/09 £
Farm Business Income	31,822	27,195
Cash Income	42,683	38,751
Net Farm Income	23,713	19,910

Farm Business Incomes by individual farm types are presented in table 2b for the 2007/08 and 2008/09 account years. This shows that Average Farm Business Income increased between 2007/08 and 2008/09 on 5 of the 7 main farm types. The two farm types which showed a decrease in Average Farm Business Income were Cereal and Dairy farms.

On Dairy farms the average Farm Business Income decreased from £62,630 in 2007/08 to £37,520 in 2008/09, which is a decrease of £25,110 per farm. This resulted from a 1.2% increase in the value of outputs and a 21.2% increase in expenditure on inputs between 2007/08 and 2008/09. The main increases in expenditure on inputs were recorded for purchased concentrate feed and fodder (£12,452), fertilisers (£4,466), depreciation of buildings and works (£3,042) and machinery upkeep and running costs (£2,993).

Cattle and Sheep farms (LFA) generated an average Farm Business Income of £20,229 per farm in 2008/09, which was 31.2% higher than the 2007/08 income of £15,414 per farm. This improvement in income was the net result of an 18.0% increase in the value of farm output and a 13.4% increase in expenditure on inputs. The main reasons for the increase in output value between the years were the £6,778 increase in cattle rearing/fattening activities, £2,296 increase in Single Farm Payment and £1,485 increase in sheep and wool activities. The main increases in expenditure on inputs were recorded for purchased concentrate feed and fodder (£2,554), fertilisers (£1,355), and machinery upkeep and running costs (£900).

Cattle and Sheep farms (Lowland) in contrast to Cattle and Sheep (LFA) recorded a higher percentage increase in Farm Business Income between 2007/08 and 2008/09. For this farm type, Farm Business Income increased from £9,967 to £17,200, which is an increase of 72.6%. This was the net result of a 24.7% increase in the value of farm output and a 14.9% increase in expenditure on inputs. The main components of the increase in output value were cattle rearing/fattening activities (£12,369) and Single Farm (£1,964), whereas the main changes within expenditure on inputs were a £1,567 increase for purchased concentrate feed and fodder, a £1,704 increase in machinery upkeep and running costs, and a £1,369 increase in fertilisers.

On the other 4 types of farm, which account for 11.1% of farms above 0.5 SLR's, changes in the total value of farm output between 2007/08 and 2008/09 ranged from -2.2% (Cereal farms) to 19.0% (Mixed farms). Whereas, change in expenditure on inputs between years ranged from -3.2% (Pig and Poultry farms) to 25.3% (Cereal farms). These four farm types showed changes in average Farm Business Income between years, which ranged from -£18,711 on Cereal farms to £15,563 on Pig and Poultry farms.

Comprehensive data on the values of livestock output, crop output, inputs, and incomes for each of the 7 farm types are given in Appendix 1. Information is also provided for 4 farm size groupings for Dairy and Cattle and Sheep (LFA) farms and for 2 size groupings for lowland Cattle and Sheep farms. These data include information on the physical and financial characteristics of the average farm within each farm type and size in the FBS sample and for the "all sizes" Northern Ireland weighted averages for each farm type. They show, amongst other things, that the levels of changes in the various components of output and input recorded between 2007/08 and 2008/09 may differ for each farm size grouping within farm types. For instance, in the case of dairy farms, the total value of farm inputs increased by 12.8% in the  $0.5 < 1$  SLR size group which compares with a 24.8% increase in the  $>3$  SLR size group.

The average levels of income per farm included in this report for each of the 7 farm types in 2007/08 (i.e. the 2007/08 – 2008/09 identical sample) are different to those in the previous year's report (i.e. the 2006/07 – 2007/08 identical sample). This occurs when an identical sample basis for reporting farm incomes is used, because the sample of farms for 2007/08 in the 2007/08– 2008/09 identical samples will not be exactly the same as those for the same year in the 2006/07 – 2007/08 sample. However, for the 'all types' averages the Net Farm Income, Farm Business Income,

and Cash Income should not be significantly different between the same years of the different matched samples.

The identical sample results refer to all farms above 0.5 SLRs, whereas between the 1998/99 and 2002/03 account years the FBS data related to farm businesses above 8 ESUs in size. This change in threshold and the way in which farm size is determined is considered to have produced a more accurate and meaningful measure of farm business sizes. Overall, the FBS is representative of 10,234 farm businesses of which 5,670 are considered to be of sufficient size to employ at least one person on a full-time basis.

**Table 2b Incomes by type of farm in 2007/08 and 2008/09 (£ per farm)**

		<b>Farm Business Income</b>	<b>Cash Income</b>	<b>Net Farm Income</b>
Cereals	07/08	33,324	42,891	24,122
	08/09	14,613	40,397	5,856
General Cropping	07/08	71,173	100,032	62,841
	08/09	79,336	112,059	67,900
Pigs & Poultry	07/08	15,398	28,793	15,755
	08/09	30,961	27,736	32,016
Dairy	07/08	62,630	75,209	54,891
	08/09	37,520	56,933	31,583
Cattle and Sheep (LFA)	07/08	15,414	25,486	6,791
	08/09	20,229	27,620	12,093
Cattle and Sheep (Lowland)	07/08	9,967	17,945	3,407
	08/09	17,200	19,393	11,235
Mixed	07/08	30,736	40,276	16,037
	08/09	35,467	55,388	20,011
<b>All Types</b>	<b>07/08</b>	<b>31,822</b>	<b>42,683</b>	<b>23,713</b>
	<b>08/09</b>	<b>27,195</b>	<b>38,751</b>	<b>19,910</b>

On many farm businesses, decisions about future levels of investment in assets are based on the level of Cash Income generated during the year and on the level of the farm's other cash reserves. For this reason alone, it is important to know the level of Cash Income as well as Farm Business Income. Cash Income may be regarded as the net amount of cash that is generated (receipts less expenditure) by the business and is available to cover living expenses, income tax payments and net investment expenditure. Any surplus that remains is credited to the farm bank account. In 2008/09 the average level of Cash Income per farm generated across all types of farm in Northern Ireland was £38,751 which is £3,932 lower than in 2007/08. Increases in average Cash Income occurred in 2008/09 on 4 of the 7 farm types and these increases ranged from £1,448 per farm on Cattle and Sheep (Lowland) farms

to £15,112 per farm on Mixed farms. Decreases in average Cash Income occurred in 2008/09 on Cereal, Pigs and Poultry and Dairy farms. These decreases ranged from £1,057 on Pigs and Poultry farms to £18,276 on Dairy farms. The lowest level of Cash Income in 2008/09 was recorded for Cattle and Sheep (Lowland) farms at £19,393 per farm, whereas the highest was recorded on General Cropping farms at £112,059 per farm.

Net Farm Income showed similar changes to Farm Business Income between 2007/08 and 2008/09 for each of the farm types. However, on average, Farm Business Income was £7,285 higher than Net Farm Income in 2008/09. This occurred because the level of imputed rent and labour, which is deducted in the calculation of Net Farm Income, is more than the sum of interest payments, depreciation charges for buildings and works, and other ownership expenses which replace them in the calculation of Farm Business Income. This was also the case for each individual farm type in both years with the exception of Pigs and Poultry farms. In Northern Ireland, Farm Business Income is a better absolute measure of income than Net Farm Income because almost all of the land farmed is either owned or farmed on short-term lettings (i.e. conacre) and almost all labour is provided from within the farm family.

Table 3 shows the variations that occurred between 2003/04 and 2008/09 in average Farm Business Income, Cash Income and Net Farm Income when measured across all farm types. Over the period Cash Income was always higher than Farm Business Income and Farm Business Income was always higher than Net Farm Income. Increases in Farm Business Income and Net Farm Income from the previous year were also observed each year over the period, with the exception of 2008/09, whereas Cash Income showed an increase each year with the exception of both 2006/07 and 2008/09.

When comparing the average income figures measured across all farm types for 2008/09 against those of 2003/04, the results show that average Farm Business Income increased by 90%, Cash Income increased by 65% and Net Farm Income increased by 130% per farm between the two years.

**Table 3      Income per farm, 2003/04 to 2008/09 (£ per farm)**

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Farm Business Income	14,332	15,455	17,328	18,135	30,127	27,195
Cash Income	23,465	25,957	29,340	28,536	40,563	38,751
Net Farm Income	8,652	9,413	10,165	11,492	22,619	19,910

The distributions of farms by income level as presented in Table 4 provides a more comprehensive picture of income levels generated in 2008/09. When compared with those in 2007/08 they show that the decrease in average Farm Business Income across all types of farm between 2007/08 and 2008/09 resulted in 1% more farms (i.e. 11%) which incurred a negative FBI. Also, although the proportion of farms that had a negative Net Farm Income in 2008/09 was 4% lower than in 2007/08, it is still relatively high at 22%. In Cash Income terms, the proportion of farms with negative incomes was 2% lower (i.e. 3%) in 2008/09 than in 2007/08. It goes without saying that on those farms with a negative Cash Income, unless an additional source of income is available, a difficult financial situation will arise. Also

when 2008/09 income distributions are compared with those for 2007/08 they show that the number of farms with a Farm Business Income above £10,000 increased by 3%. In terms of Cash Income the number of farms with a return of over £10,000 increased by 2% between 2007/08 and 2008/09.

**Table 4 Distribution of farms by level of income, 2007/08 and 2008/09**

Income £ per farm	Farm Business Income		Cash Income (% of farms)		Net Farm Income	
	07/08	08/09	07/08	08/09	07/08	08/09
<0	10	11	5	3	26	22
0 - 4,999	10	8	4	4	11	9
5 - 9,999	12	10	10	10	12	11
10 - 19,999	22	21	23	21	13	20
20 - 29,999	13	17	10	19	12	14
30,000 and over	33	33	48	43	26	24

### 2.3 Spare-time Farms (< 0.5 SLRs)

The average levels of incomes presented in section 2.2 relate to farms above 0.5 SLR's. This therefore excludes those farms which are less than 0.5 SLR's i.e. classified as spare-time. There are 15,265 spare-time farms in Northern Ireland which make a significant contribution to the value of agricultural output. As such, it is important to know the level of income they generate. Most of these farms are managed alongside off-farm employment and their farm income is a small part of overall farm household income. Some 90% of this size group of farms consists of Cattle and Sheep farms. The average incomes for Cattle and Sheep farms below 0.5 SLRs are given in Table 5. This shows that spare-time Cattle and Sheep farms generated average Farm Business Income levels in 2007/08 and 2008/09 that were very close to the break-even point.

**Table 5 Incomes for 'spare-time\*' Cattle and Sheep farms in the LFA and Lowland in 2007/08 and 2008/09 (£ per farm)**

		Farm Business Income	Cash Income	Net Farm Income
Cattle and Sheep (LFA)	2007/08	2,874	9,127	370
	2008/09	4,186	8,349	1,478
Cattle and sheep (Lowland)	2007/08	205	5,750	-2,037
	2008/09	3,394	7,573	1,286

\* Under 0.5 SLRs

Probably the most important income measure in Table 5 for the vast majority of farmers is Cash Income as most if not all of these farms are run on a spare-time basis. If negative Cash Incomes were being incurred by these spare-time farms this would show that there was no financial rationale for their existence. This was not the case on the Lowland and LFA farms in both 2007/08 and 2008/09.

## **2.4 Direct Payments**

As a result of reforms to the CAP over the past 2 decades, market support in the form of high EU support prices has been replaced with direct payments to farmers.

These direct payments, which have increased as support prices have been reduced, were intended to compensate for reduced levels of market support following the various CAP reforms. However, it should be recognised that the levels of direct payments do not necessarily indicate relative or total levels of support. For instance, prices in a number of sectors continue to be supported to some extent in the market through tariffs on imports into the EU.

From 1 January 2005 the system of direct payments has been replaced by a decoupled Single Farm Payment (SFP) as an outcome of June 2003 CAP reforms. Farmers in Northern Ireland receive a SFP which takes into account their historic receipts of direct payments and an area payment.

As SFP is decoupled from production it is not included in the gross margin of any particular enterprise. It is however included in total farm output and the various income measures. Previously coupled subsidy receipts were included in enterprise gross margins and therefore the introduction of decoupling has resulted in a significant reduction in many gross margins. SFP is recorded on an 'as due' basis of accounting. This means that payments relating to the 2005 SFP scheme year (1<sup>st</sup> year of SFP) accrue to the 2005/06 FBS accounting period, irrespective of when the money is actually paid. Hence 2007/08 and 2008/09 represents the 3<sup>rd</sup> and 4<sup>th</sup> years of SFP scheme.

As shown in table 6, direct subsidy receipts per farm (inclusive of BSE related payments) increased between 2007/08 and 2008/09 for each of the 7 main types of farm when measured on an 'as due' basis of accounting. On average, direct subsidy receipts per farm (inclusive of BSE related payments) increased from £21,287 in 2007/08 to £23,361 in 2008/09.

Cattle and Sheep (LFA) farms received the highest level of direct subsidy receipts, averaging £28,169 per farm in 2008/09, whereas Pigs and Poultry farms recorded the lowest average of the 7 main types of farms, at £4,620 per farm.

Cattle and Sheep (LFA) type farms showed an increase in direct payments of £2,521 per farm between 2007/08 and 2008/09. This was the net result of increases in Single Farm Payment (£2,296 per farm), Agri-Environmental payments (£140 per farm) and other subsidies (£85 per farm) between 2007/08 and 2008/09.

Similarly, Dairy type farms showed an increase in direct payments of £1,175 per farm between 2007/08 and 2008/09. This was the net result of an increase in Single

Farm Payment (£1,913 per farm) and decreases in Agri-Environmental payments (£100 per farm) and other subsidies (£638 per farm) between 2007/08 and 2008/09.

For the remaining farm types, the increases in direct payments between 2007/08 and 2008/09 were Cereals (£1,615), General Cropping (£2,146), Pigs and Poultry (£1,030), Lowland Cattle and Sheep (£2,683) and Mixed (£3,132) farms

The data presented in Tables 6 and 7 shows how important direct payments are to farmers in Northern Ireland. In 2008/09 direct payments ranged from 3% of the value of total farm output on Pig and Poultry farms to 40% on Cattle and Sheep (LFA) farms. When expressed on a per hectare basis direct payments range from £135 per hectare on General Cropping farms to £348 per hectare on Mixed farms.

When measured across all farm types, average direct payments represented 86% of the value of average Farm Business Income, 60% of the value of average Cash Income and 117% of the value of average Net Farm Income for farms in Northern Ireland. Moreover, for Cereal, Cattle and Sheep (LFA) and Cattle and Sheep (lowland) average direct payments were greater than the average Farm Business Income generated per farm in 2008/09. Also, for both LFA and Lowland Cattle and Sheep farms, their average direct payments exceeded average Cash Income.

**Table 6      'As due' Direct payments by type of farm in 2007/08 and 2008/09<sup>1</sup>**

	2007/08		2008/09	
	£ per farm			
Cereals	16,044	(-)	17,659	(-)
General Cropping	9,334	(-)	11,480	(-)
Pigs and Poultry	3,590	(-)	4,620	(-)
Dairy	19,422	(646)	20,597	(319)
Cattle and Sheep (LFA)	25,648	(334)	28,169	(416)
Cattle and Sheep (Lowland)	18,181	(303)	20,864	(283)
Mixed	22,238	(72)	25,370	(364)
<b>All Types (Inclusive BSE )</b>	<b>21,287</b>	<b>(395)</b>	<b>23,361</b>	<b>(337)</b>

1. Of which BSE related payments shown in brackets.

**Table 7 'As due' Direct payments by type of farm, 2008/09**

	% TFO <sup>1</sup>	£ per ha	% FBI <sup>2</sup>	% CI <sup>3</sup>	% NFI <sup>4</sup>
Cereals	18	230	121	44	302
General Cropping	5	135	14	10	17
Pigs and Poultry	3	345	15	17	14
Dairy	11	264	55	36	65
Cattle and Sheep (LFA)	40	287	139	102	233
Cattle and Sheep (Lowland)	29	334	121	108	186
Mixed	17	348	72	46	127
<b>All Types</b>	<b>19</b>	<b>286</b>	<b>86</b>	<b>60</b>	<b>117</b>
<b>All Types (exclusive BSE)</b>	<b>19</b>	<b>282</b>	<b>85</b>	<b>59</b>	<b>116</b>

1 Total Farm Output

2 Farm Business Income

3 Cash Income

4 Net Farm Income

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

Farm Business Incomes including and excluding direct subsidy receipts are presented in Table 7(a). By excluding direct subsidy receipts this provides an indication of the incomes generated from farming activities. The data indicates that General Cropping, Pigs and Poultry, Dairy and Mixed type farms return a positive Farm Business Income when direct payments are removed. All remaining farm types generate losses with those on LFA Cattle and Sheep farms being quite substantial.

**Table 7(a) Farm Business Incomes including and excluding direct payments in 2008/09 (£ per farm)**

	FBI	Direct Payments*	FBI minus Direct Payments
Cereals	14,613	17,659	-3,046
General Cropping	79,336	11,480	67,856
Pigs and Poultry	30,961	4,620	26,341
Dairy	37,520	20,278	17,242
C&S (LFA)	20,229	27,753	-7,524
C&S (Lowland)	17,200	20,581	-3,381
Mixed	35,467	25,006	10,461
All Types	27,195	23,024	4,171

\*Excluding BSE related receipts

Table 7(b) presents Net Farm Incomes including and excluding direct subsidy receipts. In using this measure as opposed to Farm Business Income, lower levels of income are returned for all the different farm types with the exception of Pigs & Poultry farms. Mixed farms are also now returning a negative Income when direct payments are removed. Therefore, only General Cropping, Pigs and Poultry, and Dairy farms are returning a positive Income when direct payments are removed from Net Farm Income. In this instance, the losses from farming activities on Cereal, Cattle and Sheep (LFA), and Cattle and Sheep (Lowland) farm types are very substantial.

**Table 7(b) Net Farm Incomes including and excluding direct payments in 2008/09 (£ per farm)**

	<b>NFI</b>	<b>Direct Payments*</b>	<b>NFI minus Direct Payments</b>
Cereals	5,856	17,659	-11,803
General Cropping	67,900	11,480	56,420
Pigs and Poultry	32,016	4,620	27,396
Dairy	31,583	20,278	11,305
C&S (LFA)	12,093	27,753	-15,660
C&S (Lowland)	11,235	20,581	-9,346
Mixed	20,011	25,006	-4,995
All Types	19,910	23,024	3,114

\*Excluding BSE related receipts

## **2.6 Trends in Farm Incomes between 2001/02 and 2008/09**

Table 8 presents a time series (2001/02 – 2008/09) of average Farm Business Income expressed in real terms for Dairy and Cattle and Sheep (LFA) farm types. These two farm types account for 73% of the farm businesses over 0.5 SLRs in Northern Ireland. These time-series of income shows that in the four most recent years (05/06 to 08/09) the average Farm Business Income for Dairy farms in real terms was 53.7% higher than that in the first four years (01/02 to 04/05) of the 8 year period. Whereas for the Cattle and Sheep farms (LFA) the four most recent years resulted in an average Farm Business Income in real terms which was 45.9% higher than that in the first four years of the 8 year period.

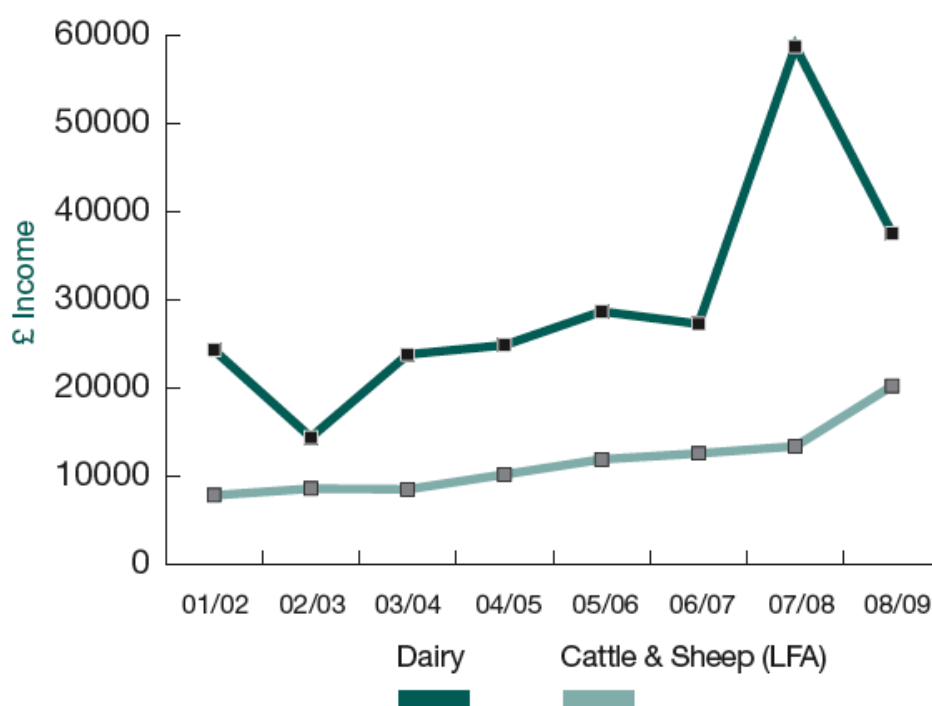
**Table 8 Real Farm Business Income for Dairy and Cattle and Sheep farms (LFA) - 2001/02 to 2008/09<sup>1</sup>**

	<b>Dairy</b>	<b>Cattle and Sheep (LFA)</b>
2001/02	113	184
2002/03	65	198
2003/04	105	190
2004/05	106	221
2005/06	120	252
2006/07	110	257
2007/08	227	262
2008/09	141	386

<sup>1</sup> Expressed as an index in real terms, 2000/01 = 100

The time series (2001/02 – 2008/09) of average Farm Business Income expressed in real terms for Dairy and Cattle and Sheep (LFA) farm types is shown graphically in figure 2. This indicates that for both of these farm types, Farm Business Income has generally increased over the period. On saying this, the annual average Farm Business Income for Dairy farms has been some £18,302 per farm higher over the period than that of Cattle and Sheep (LFA) farms. Over the 8 year period Dairy farms had an average annual Farm Business Income of £29,939, compared to £11,637 for Cattle and Sheep (LFA) farms. When considering the total asset values of both farm types it can be said that the average Dairy farm of 78 hectares in Northern Ireland, is valued at 22% more than the average Cattle and Sheep (LFA) farm of 98 hectares and has generated about 2.6 times as much Farm Business Income over the past 8 years.

**Figure 2 Farm Business Income for Dairy and Cattle and Sheep (LFA) farms 2001/02 to 2008/09**



## 2.7 Other Sources of Income

In the FBS, farmers are asked to indicate into which of 8 ranges of income the joint income of the farmer and spouse falls for each of six off-farm sources of income. Off-farm income includes both earned and unearned sources, such as other employment and social payments. In total, these receipts averaged £5,858 per farm in 2008/09, of which £4,019 was earned income and £1,839 unearned income. However, it should be noted that on 50% of the farm businesses no off-farm income was received. Off-farm income per farm ranged from under £1,000 to in excess of £20,000 per year and included in some situations Social Security payments only. In other cases, the earned income of the spouse was the main off-farm income source. The average amount of off-farm income was highest, at £6,442 per farm for Cattle and Sheep (LFA) farms which is mainly because a relatively higher proportion of spouses were in full-time employment in this farm type.

**Table 9 Off-farm Income, 2008/09 (£ per farm)**

	<b>Off-farm Total Income</b>	<b>Employment &amp; Self- employment</b>	<b>Investments, Pensions, Social Payments</b>
Dairy	4,959	3,233	1,726
Cattle and Sheep (LFA)	6,442	4,301	2,141
Mixed	2,418	646	1,772
<b>All Types</b>	<b>5,858</b>	<b>4,019</b>	<b>1,839</b>

The two most common off-farm income sources were other employment and pensions, as shown in Table 10. In 2008/09, on 65 of the 275 farms only the spouse of the farmer had off-farm employment, on a further 11 farms only the farmer had off-farm employment and on another 14 farms both the farmer and spouse had off-farm employment. This equates to 33% of farms having an off-farm employment source of income. The percentages of farms receiving pensions and social payments were 16% and 15% respectively. In many instances social payments relate to child benefit payments and not an income support payment.

**Table 10 Off-farm income by type and level of Income, 2008/09**

	<b>Zero</b>	<b>1-999</b>	<b>£ 1,000-4,999</b>	<b>5,000- 19,999</b>	<b>20,000+</b>
	<b>(% of farms)</b>				
Employment	71	-	4	18	7
Self-employment	97	-	1	1	1
Investments	95	3	1	1	-
Pensions	84	-	2	13	1
Social payments	85	6	5	4	-
<b>All sources</b>	<b>50</b>	<b>2</b>	<b>7</b>	<b>32</b>	<b>9</b>

## 2.8 Investment Levels on Farms

As shown in table 11, the real level of investment made on FBS farms increased each year between 1999/00 and 2001/02. Then in 2002/03 the real level of investment decreased from the previous year. In 2003/04 there was an increase of 29% on the level of investment made when compared to the previous year, whereas, in 2004/05 investment levels fell to a 10 year low which was 42% below the levels of 2003/04. During the period 2005/06 to 2008/09 investment levels have shown year on year increases of 56% in 2005/06, 50% in 2006/07, 13% in 2007/08 and 58% in 2008/09.

**Table 11 Net investment index per farm, 1999/00 to 2008/09**

	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
Current price index	85	100	152	117	155	92	148	230	270	438
Real terms index <sup>1</sup>	87	100	150	113	146	84	131	197	222	350

<sup>1</sup> Deflated using the Retail Price Index, 2000/01=100

As shown in table 12 the average net investment (excluding capital grants received) was £24,853 per farm in 2008/09, which is £7,505 more than the previous year. The total average net investment in 2008/09 was composed of plant, machinery and vehicles at £8,714 per farm (which is £350 lower than in 2007/08), land and buildings at £6,070 per farm (which is £4,714 higher than in 2007/08) and investment on capital improvements at £12,585 per farm (which is £4,229 higher than 2007/08). Capital grants received were £2,515 in 2008/09 (which is £1,086 higher than in 2007/08). Average levels of net investment were higher in 2008/09 than 2007/08 for Cereals, Dairy, Cattle and Sheep (LFA), Cattle and Sheep (Lowland) and Mixed farm types.

**Table 12 Net investment by type of farm, 2007/08 and 2008/09**

	2007/08	2008/09
	£ per farm	
Cereals	31457	32915
General Cropping	16297	9351
Pigs and Poultry	12633	8658
Dairy	28652	37539
Cattle & Sheep (LFA)	11047	16106
Cattle & Sheep (Lowland)	6653	25251
Mixed	23624	24068
<b>All Types</b>	<b>17348</b>	<b>24853</b>

As in 2007/08, the average levels of net investment in 2008/09 were different on each of the farm types. The average levels of net investment in 2008/09 ranged from £8,658 per farm on Pigs and Poultry farms to £37,539 per farm on Dairy farms. Differences in levels of investment by farm type occur for a number of reasons including dissimilarities in farm size, levels of Cash Income and the need for replacement/establishment of assets. In general, the pattern of investment would tend to indicate that farmers increase capital expenditure in or immediately following

years when they have a substantial increase in cash income. However, in recent years there has also been an increase in net investment as farmers have undertaken investment to satisfy the slurry storage requirements of the Nitrates Directive Action Programme.

### **3. FINANCIAL POSITION OF FARM BUSINESSES**

In the 2006/07 account year, the values for land and buildings were revalued on each FBS farm in line with current market prices for farms in each locality. Previous revaluations took place in the 1989/90 and 1996/97 account years. The recent revaluation resulted in an average increase in book values of land and buildings from £401,579 in the closing valuation of the 2005/06 account to £879,499 in the closing valuation of the 2006/07 account. If comparisons are being made with farm asset values reported for earlier years then recent and previous revaluations should be taken into consideration.

#### **3.1 Assets, Liabilities, and Net Worth of Farms**

Information on the values of total assets, external liabilities and net worth by farm type for the 2008/09 account year is presented in Table 13. This shows that average total assets per farm measured across all farm types were £1,066,784 in 2008/09. Whereas, average external liabilities per farm measured across all farm types were £34,068 in 2008/09, which is 15% higher than the previous year. When measured across all farm types the average external liabilities (i.e. mainly bank borrowings) per farm in 2008/09 were equivalent to 3.2% of total farm assets. Given these values for assets and liabilities the average net worth per farm measured across all farm types was £1,032,716 in 2008/09. When measured across all farm types, net worth expressed as a percentage of total assets was 96.8% in 2008/09. When making comparisons with earlier years it is important to remember that due to revaluations of book values for land and buildings undertaken in the 2006/07 account year, total assets and net worth values are showing a substantial step-change increase.

Table 13 also shows that when expressed by farm type, total average assets in 2008/09 ranged from £667,783 per farm on Pigs and Poultry type farms to £1,832,126 per farm on Cereal type farms. Also, in 2008/09, Dairy type farms had the highest average amount of external liabilities at £74,163 per farm, whereas Cattle and Sheep (LFA) farms had the lowest external liabilities at £12,303 per farm. When measured as a percentage of total assets, external liabilities ranged from 1.3% on Cattle and Sheep (LFA) type farms to 6.3% on Dairy type farms. When compared to the previous year, external liabilities increased on Cereal and Dairy type farms, and decreased on General Cropping, Pigs and Poultry, Cattle and Sheep (LFA), Cattle and Sheep (lowland) and Mixed type farms.

In terms of net worth, average values by farm type in 2008/09 ranged from £648,368 on Pig and Poultry farms to £1,786,315 on Cereal farms. When net worth is expressed as a percentage of total assets, average values range from 93.7% on Dairy farms to 98.7% on Cattle and Sheep (LFA) farms.

**Table 13 Financial stability of farms in Northern Ireland 2007/08 and 2008/09**

		<b>Farm Area (ha)</b>	<b>Total Assets (£'000)</b>	<b>External Liabilities (£'000)</b>	<b>Net Worth (£'000)</b>	<b>Net Worth (as % of Total Assets)</b>
Cereals	07/08	74.9	1817.2	42.4	1774.8	97.7
	08/09	76.9	1832.1	45.8	1786.3	97.5
General Cropping	07/08	79.5	951.5	41.3	910.2	95.7
	08/09	84.8	937.3	29.9	907.4	96.8
Pigs and Poultry	07/08	13.4	652.4	24.1	628.3	96.3
	08/09	13.4	667.8	19.4	648.4	97.1
Dairy	07/08	75.1	1136.1	58.7	1077.3	94.8
	08/09	78.1	1177.5	74.2	1103.3	93.7
Cattle and Sheep (LFA)	07/08	98.3	938.6	13.2	925.4	98.6
	08/09	98.2	969.0	12.3	956.7	98.7
Cattle and Sheep (Lowland)	07/08	63.1	954.2	13.4	940.8	98.6
	08/09	62.4	968.4	13.4	955.0	98.6
Mixed	07/08	72.2	1371.7	22.1	1349.6	98.4
	08/09	72.8	1388.5	20.0	1368.5	98.6
<b>All Types</b>	07/08	<b>80.8</b>	<b>1037.2</b>	<b>29.8</b>	<b>1007.4</b>	<b>97.1</b>
	08/09	<b>81.7</b>	<b>1066.8</b>	<b>34.1</b>	<b>1032.7</b>	<b>96.8</b>

The distribution of farms by their net worth expressed as a percentage of total farm assets is presented in Table 14. Overall, the distribution indicates that in 2008/09 only 6% of farm businesses had liabilities which were more than 15% of the value of total farm assets and that 84% have liabilities which are less than 5% of the value of the farm assets. This is a relatively financially stable status for the farm sector.

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

	<b>Net Worth %</b>				
	<b>Under 75</b>	<b>75-84.9</b>	<b>85-94.9</b>	<b>95-99.99</b>	<b>100</b>
	<b>% of Farms</b>				
2007/08	1	4	10	41	44
2008/09	1	5	10	39	45

When total farm assets are expressed on an area basis this indicates the amount of capital required to farm one hectare of land. This amount differs between farm types and is affected by factors such as the quality of land and types of enterprise farmed. In 2008/09 the average capital required across all farm types was £13,057 per hectare. At the individual farm type level the average capital required ranged from £9,868 per hectare on Cattle and Sheep (LFA) type farms to £49,835 per hectare on Pigs and Poultry type farms. Cattle and sheep (LFA) farms have a relatively low capital requirement as they tend to operate extensive enterprises on comparatively lower valued land, whereas, Pig and Poultry farms have a relatively high capital requirement per hectare as they operate an intensive enterprise on a small area of land.

Measured across all farm types the average value of land and buildings accounted for 90% of the average capital requirement on Northern Ireland farms in 2008/09. When measured by individual farm type, the percentage of total assets tied up in land and buildings ranged from 87% on Dairy farms to 95% on Cereal farms.

Assets other than land and buildings are collectively referred to as operating capital. As shown in table 15, in 2008/09 the average amount of operating capital (which excludes debtors) measured across all farm types was £100,112 per farm or 9.4% of total assets. This operating capital can be broken down into breeding livestock (32% of operating capital), machinery (31%), trading livestock (30%), and crops and stocks (7%). When measured at the individual farm type level, the average operating capital in 2008/09 ranged from £70,582 for Cattle and Sheep (LFA) farms to £140,262 for Dairy farms. Alternatively, when measuring average operating capital as a percentage of average total assets for individual farm types in 2008/09, the values ranged from 4.7% for cereal farms to 13.0% for General Cropping farms.

**Table 15      Amount of operating capital by type of farm, 2008/09**

	<b>Operating Capital</b>	
	<b>£</b>	<b>% of total farm</b>
	<b>Per farm</b>	<b>Capital</b>
Cereals	86,813	4.7
General Cropping	121,973	13.0
Pigs and Poultry	75,699	11.3
Dairy	140,262	11.9
Cattle and Sheep (LFA)	70,582	7.3
Cattle and Sheep (Lowland)	83,085	8.6
Mixed	140,326	10.1
<b>All Types</b>	<b>100,112</b>	<b>9.4</b>

### 3.2 Rate of Return on Capital

There is a number of ways to calculate the rate of return on capital employed on farms. For many years, management and investment income (Net Farm Income minus the value of farmer and spouse labour) expressed as a percentage of tenant's capital was the most widely used measure. However, as this measure was not very meaningful for owner occupied farms, another measure, Occupier's Net Income expressed as a percentage of net worth, was used. This expression represents the rate of return that the farmer and spouse obtain for their manual and managerial labour on all of their investment in the business. From the 2007/08 account year, the new headline income measure (i.e. Farm Business Income) expressed as a percentage of net worth is used. This expression represents the return that all unpaid labour (farmer, spouses and others with an entrepreneurial interest in the farm business) obtains for their manual and managerial labour and all of their investment in the business.

As indicated in Table 16, the rate of return to capital and labour achieved by some farm types in 2008/09 is low when compared to other investment opportunities e.g. saving rates. The average rate of return in 2008/09 ranged from 0.8% on Cereal farms to 8.7% on General Cropping farms.

**Table 16 Farm Business Income as a percentage of net worth by type of farm**

<b>Farm Business Income as a % of Net Worth</b>	
	<b>08/09</b>
Cereals	0.8
General Cropping	8.7
Pigs and Poultry	4.8
Dairy	3.4
Cattle and Sheep (LFA)	2.1
Cattle and Sheep (Lowland)	1.8
Mixed	2.6
<b>All Types</b>	<b>2.6</b>

### 3.3 Bank Borrowings

In the 2008/09 year, the average level of bank borrowings measured across all farm types was £29,172 per farm. This is an average increase of £4,333 per farm when compared to 2007/08. As shown in Table 17, Dairy farms had the highest level of borrowings with an average of £65,557 per farm in 2008/09. The largest increase in borrowings between 2007/08 and 2008/09 also occurred on Dairy farms, with an average increase of £15,293 per farm. The largest decrease in borrowing was on General Cropping farms where borrowing decreased on average by £6,526 per farm.

Banks are the main source of lending to farming with others such as family loans, hire purchase and leasing, providing on average a further £4,896 per farm. The latter two sources are used, to quite an extent, to purchase tractors and other

vehicles whereas bank lending is used mainly for funding land, buildings and working capital requirements.

**Table 17      Average bank borrowings per farm by type of farm, 2007/08 and 2008/09**

	Bank borrowings (£ per farm)	
	2007/08	2008/09
Cereals	40,082	39,681
General Cropping	28,319	21,793
Pigs and Poultry	15,280	12,733
Dairy	50,264	65,557
Cattle and Sheep (LFA)	11,334	10,227
Cattle and Sheep (Lowland)	12,626	12,001
Mixed	8,086	9,196
<b>All Types</b>	<b>24,839</b>	<b>29,172</b>

The distribution of farms by level of borrowing per farm in 2007/08 and 2008/09 are presented in Table 18. This shows that 56% of the farms recorded no bank borrowings in 2008/09 whereas 14% of farms recorded borrowings in excess of £50,000. When comparing the distributions for 2007/08 and 2008/09 the overall picture is very similar with only a 1% decrease in the number of farms with borrowing in excess of £50,000 in 2008/09.

**Table 18      Distributions of farms by level of bank borrowings, 2007/08 and 2008/09**

Bank Borrowings (£ per farm)	2007/08	2008/09
	% of farms	
Nil	56	56
1 to 20,000	17	17
20,000 to 49,999	12	13
50,000 to 99,999	8	5
100,000 and over	7	9

The ability of farms to carry different levels of borrowings depends on their profitability, which in turn, is closely related to the size of business. For this reason, those farms with borrowings in excess of £50,000 cannot necessarily be considered to be in financial difficulty. Even so, borrowings in excess of £50,000 do incur a significant interest cost. At the average bank lending rate recorded during 2008 borrowings of £50,000 would have incurred interest costs of around £3,350 per annum.

Farms with borrowings in excess of £50,000 are found across most types of farm. In particular, there are relatively high proportions of Dairy (29%) and Cattle and Sheep Lowland (7%) farms in this position. Some of these Dairy farms have borrowed to purchase buildings and machinery while some Cattle and Sheep farms have large cattle finishing enterprises which require considerable amounts of operating capital. For other farms a combination of factors including the purchase of land, expenditure on farm improvements and poor performance have contributed to their high levels of borrowings. The difficulty with such high levels of borrowing is that the annual interest cost may reach a level where the farm cash income is inadequate to cover living expenses and essential new on-farm investment.

#### 4. ENTERPRISE GROSS MARGINS

In this section of the report, the gross margins generated by each of the main enterprises in Northern Ireland are compared for the two accounting years 2007/08 and 2008/09. As the average account year end for the sample of farms is mid-February, the results refer to the 2007 and 2008 grassland and crop years. Average Gross Margin by enterprise is presented in Table 19(a). It is important to note that as the Single Farm Payment is decoupled from production and not linked to any particular enterprise it is not included in the gross margin figures. For similar reasons, Less Favoured Area Compensatory Allowance is also not included. The overall situation was that higher gross margins were recorded in 2008/09 for lowland beef cows, pigs, ware potatoes and all breeding ewe enterprises, whereas, lower gross margins were recorded for dairy cows, SDA beef cows, DA beef cows, spring barley, winter barley and winter wheat.

**Table 19(a) Average gross margins by enterprise in 2007/08 and 2008/09**

		<b>Average gross margins</b>	
		<b>2007/08</b>	<b>2008/09</b>
		<b>£ per head</b>	
Dairy Cows		846	669
Suckler Cows	- SDA	99	97
	- DA	141	126
	- Lowland	134	137
Breeding Ewes	- SDA	10	11
	- DA	33	41
	- Lowland	33	46
Pigs		15.31	20.75
		<b>£ per hectare</b>	
Spring Barley		748	380
Winter Barley		848	769
Winter Wheat		1,176	680
Potatoes – ware		3,143	3,652

##### 4.1 Dairy Cows

As shown in Table 19(b), the average gross margin per dairy cow decreased from £846 in 2007/08 to £669 in 2008/09 for the 93 dairy herds which provided information in both years. This decrease of £178 in average gross margin is the net result of a £50 decrease in output value and a £128 increase in total variable costs in 2008/09. The main reason for the increase in output value was that milk receipts were on average £61 lower per cow in 2008/09. The lower milk receipts per cow were due to a decrease in milk price of 0.3 pence per litre and milk yield of 204 litres per cow. The increase in total variable costs per cow resulted mainly from a £82 increase in concentrate cost and a £36 increase in hay, silage and grazing costs per cow. The increase in concentrate costs per cow was due to higher concentrate prices and usage in 2008/09, whereas, the increase in hay, silage and grazing costs was the result of higher fertiliser prices in 2008/09

Stocking rates also decreased slightly to 1.97 cow equivalents per hectare in 2008/09. Given this and the decrease in average gross margin per cow, then

average gross margin per hectare also decreased from £1,688 in 2007/08 to £1,301 in 2008/09, which is a decrease of £387 per hectare.

**Table 19(b) Average outputs, variable costs and gross margins per dairy cow in 2007/08 and 2008/09**

	2007/08	2008/09
<b>Number of herds</b>		93
<b>Enterprise output</b>		<b>£ per cow</b>
Milk	1,380	1,319
Calves	66	70
Herd replacement	-108	-102
<b>Output</b>	<b>1,338</b>	<b>1,287</b>
Quota leasing receipts	-	-
Quota leasing costs	-	-
Super levy	-	-
<b>Adjusted Output</b>	<b>1,338</b>	<b>1,287</b>
<b>Variable Costs</b>		
Concentrates	311	393
Hay, silage & grazing	103	139
Sundries & Vet	77	87
<b>Total Variable Costs</b>	<b>491</b>	<b>619</b>
<b>Gross Margin</b>	<b>846</b>	<b>669</b>
Average herd size (cows)	77	77
Concentrates per litre (kg)	0.28	0.31
Stocking rate (ce/ha)	2.02	1.97
Summer milk (%)	55	56
Milk yield (l/cow)	6,078	5,874
Milk price (p/l)	22.7	22.4

As shown in Table 20, the difference in performance in 2008/09 between the 'top' and 'bottom' quartiles was, as in previous years, substantial. The 'top' quartile had an average gross margin per cow of £939 compared with £410 for the 'bottom' quartile. The main reasons for this difference in performance are that the 'top' quartile had an average milk yield 1,718 litres per cow above and a milk price 2.6 pence per litre above the 'bottom' quartile. For the average herd size of 77 dairy cows in the sample, the difference in gross margin between the 'top' and 'bottom' quartiles equates to a total value of £40,733 per herd.

**Table 20**      **Average outputs, variable costs and gross margins per dairy cow in the top 25% and bottom 25% groups, 2008/09**

	Top 25%	Bottom 25%
	£ per cow	
Gross Margin	939	410
Milk Sales	1,597	1,061
Calf Sales	75	65
Total Output	1,598	981
Variable Costs	660	571
Milk Yield – litres	6,736	5,018
Av milk price – ppl	23.7	21.1
Stocking rate - ce/ha	1.95	2.02

## 4.2 Suckler Cows

In the 2008/09 account year all of the three main categories of suckler herds had average gross margins that were very similar to those in 2007/08 (Table 21). For SDA suckler cows the average gross margin per cow decreased from £99 in 2007/08 to £97 in 2008/09. This decrease was the net result of a £35 increase in output and £37 increase in total variable costs. The £35 increase in output resulted from a £33 increase in value of calves and a £2 decrease in herd replacement cost. For DA suckler cows the average gross margin decreased by £15 per cow due to a £19 increase in total output and a £35 increase in total variable costs. The £19 increase in output value was due to a £45 increase in the value of calves and a £25 increase in herd replacement cost. For lowland suckler cows the average gross margin increased by £3 per cow, due to an increase of £33 in total output and £30 in total variable costs. The £33 increase in output value was due to a £22 increase in the value of calves and a £11 decrease in herd replacement cost. For each of the different herds, the increase in their variable costs can mainly be attributed to increases in hay, silage and grazing costs that resulted from higher fertiliser costs in 2008.

**Table 21 Average outputs, variable costs and gross margins per cow for SDA, DA and Lowland suckler herds, 2007/08 and 2008/09**

	SDA		DA		Lowland	
	07/08	08/09	07/08	08/09	07/08	08/09
<b>Number of herds</b>	77		23		15	
<b>Enterprise Output</b>			<b>£ per cow</b>			
Calves	298	331	292	337	308	330
Herd rep	-52	-50	-28	-53	-50	-39
<b>Total Output</b>	<b>246</b>	<b>281</b>	<b>265</b>	<b>284</b>	<b>258</b>	<b>291</b>
<b>Variable Costs</b>						
Concentrates	34	43	19	27	15	18
HSG	78	103	69	91	69	89
Sundries & Vet	35	38	37	41	41	46
<b>Total Variable Costs</b>	<b>147</b>	<b>184</b>	<b>124</b>	<b>159</b>	<b>124</b>	<b>154</b>
<b>Gross Margin</b>	<b>99</b>	<b>97</b>	<b>141</b>	<b>126</b>	<b>134</b>	<b>137</b>
Calves reared per cow	0.93	0.90	0.90	0.87	0.91	0.91
Av price per calf sold/trans (£)	313	359	326	362	339	353

The data presented in Table 22 for the 'top 25%' and 'bottom 25%' of suckler herds show that there were a difference of £218 in gross margin per cow between the 'top' and 'bottom' groups of SDA suckler herds in 2008/09. This is accounted for by differences of £117 in calf returns, £73 in herd replacement costs, and £29 in total variable costs between the top and bottom groups. Similarly for DA suckler herds there were a difference of £203 in gross margin per cow between the 'top' and 'bottom' groups of herds in 2008/09. This is accounted for by differences of £92 in calf returns, £30 in herd replacement costs, and £81 in total variable costs.

**Table 22      Average calf receipts, variable costs and gross margins per cow for SDA and DA suckler herds in the top 25% and bottom 25% groups, 2008/09**

	Top 25%	Bottom 25%
	£ per cow	
Gross Margin		
- SDA	207	-11
-DA	202	-1
Calf Returns		
- SDA	397	280
- DA	373	281
Herd replacement cost		
- SDA	-9	-82
- DA	-39	-69
Variable Costs		
- SDA	181	210
- DA	132	213

### **4.3      Breeding Ewes**

As shown in Table 23, gross margins per ewe for the each of the three flock types increased between 2007/08 and 2008/09. For lowland breeding ewes the average gross margin per ewe increased from £32.98 in 2007/08 to £46.30 in 2008/09, which is an increase of £13.32. This increase was due to a £16.99 increase in output and a £3.67 increase in total variable costs. For upland breeding ewes the average gross margin per ewe increased from £33.38 in 2007/08 to £40.73 in 2008/09, which is an increase of £7.35. This increase was due to a £16.50 increase in output and a £9.15 increase in total variable costs. For hill breeding ewes the average gross margin per ewe increased from £10.04 in 2007/08 to £11.10 in 2008/09, which is an increase of £1.06. This increase was due to a £4.83 increase in output and a £3.77 increase in total variable costs.

**Table 23      Average outputs, variable costs and gross margins per ewe for Lowland, DA and SDA breeding flocks, 2007/08 and 2008/09**

	Lowland		Upland (DA)		Hill (SDA)	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
<b>Number of flocks</b>	<b>23</b>		<b>23</b>		<b>26</b>	
<b>Output</b>						
Lambs	65.71	83.52	65.60	82.70	38.94	41.76
Wool	0.77	1.81	1.00	1.45	0.88	1.08
Flock Replacements	-1.74	-3.60	-2.58	-3.63	-1.30	0.51
<b>TOTAL OUTPUT</b>	<b>64.74</b>	<b>81.73</b>	<b>64.02</b>	<b>80.52</b>	<b>38.52</b>	<b>43.35</b>
<b>Variable Costs</b>						
Concentrates + OPF	10.04	12.65	9.43	13.16	9.75	11.25
Hay, silage, & grazing	13.05	13.38	13.32	18.29	10.82	13.20
Sundries + Vet	8.67	9.40	7.89	8.34	7.91	7.80
<b>TOTAL VARIABLE COSTS</b>	<b>31.76</b>	<b>35.43</b>	<b>30.64</b>	<b>39.79</b>	<b>28.48</b>	<b>32.25</b>
<b>GROSS MARGIN</b>	<b>32.98</b>	<b>46.30</b>	<b>33.38</b>	<b>40.73</b>	<b>10.04</b>	<b>11.10</b>
Lambs reared per ewe	1.53	1.51	1.42	1.50	1.13	1.09
Ave fat lamb price (£)	50.49	60.24	51.39	60.48	46.65	54.15
Av store lamb price (£)	22.55	45.15	37.55	50.45	32.22	36.73
Ewe mortality %	5.5	5.0	4.1	4.1	5.8	8.1
Lamb mortality %	7.8	9.6	6.8	7.6	7.7	9.9
Ave flock size (ewes)	180	174	149	158	349	343

In 2008/09, the magnitude of the differences in average gross margins per ewe between the 'top' and 'bottom' performance groups for each of the three flock types was similar to that in previous years (Table 24). One of the reasons for these differences is the considerable range found in the value of lamb sales per ewe which averaged £81 in the top group and £44 in the bottom group. Another reason is the differing levels of variable costs due to associated levels of input usage.

**Table 24 Average gross margins, lamb sales and lambs reared per ewe for the top 25% and bottom 25% groups, 2008/09**

	Top 25%	Bottom 25%
	Per Ewe	
Gross Margin (£)		
- Lowland	63	21
- Upland	61	7
- Hill	23	-5
Lamb Sales (£)		
- Lowland	90	64
- Upland	99	47
- Hill	54	22
Lambs Reared		
- Lowland	1.51	1.06
- Upland	1.65	1.18
- Hill	1.19	0.83

#### 4.4 Pigs

On the 6 farms which had rearing and finishing units, the average gross margin per pig increased from £15.31 in 2007/08 to £20.75 in 2008/09 (Table 25). This increase in margin of £5.44 per pig between 2007/08 and 2008/09 was the net result of an increase in average finished pig price of £11.49 per pig and an increase in total variable cost of £6.05 per pig. The increase in total variable was the net effect of a £6.51 increase in the cost of feedstuffs per pig and a £0.45 decrease in the cost of veterinary, medicine and sundry costs. The increase in cost of feedstuffs per pig was solely due to the higher concentrate prices in 2008/09. The average gross margin of £21 per pig is the second highest result in the 10 years since 1999/00. The average gross margins per pig in the previous years were £6 in 1999/00, £18 in 2000/01, £19 in 2001/02, £15 in 2002/03, £16 in 2003/04, £15 in 2004/05, £20 in 2005/06, £21 in 2006/07 and £10 in 2007/08.

**Table 25 Average sales, variable costs and gross margins per pig for pig rearing and finishing units, 2007/08 and 2008/09**

	2007/08	2008/09
<b>Number of herds</b>	<b>6</b>	
	<b>£ per pig</b>	
Av finished pig price	78.45	89.94
Variable Costs		
Feedingstuffs	58.40	64.91
Vet and medicines	2.40	1.97
Sundries	2.33	2.31
<b>Total Variable Costs</b>	<b>63.14</b>	<b>69.19</b>
<b>Gross Margin</b>	<b>15.31</b>	<b>20.75</b>
Meal equivalent per pig (kg)	310	296
Price of concentrates (£/tonne)	188	220
Pigs weaned per sow	18.64	19.72

## 4.5 Spring Barley

As shown in Table 26 the average gross margin per hectare for the spring barley crop decreased from £748 in 2007 to £380 in 2008, which is a fall of £368. This decrease was the net effect of a £289 decrease in output value and a £79 increase in total variable costs in 2008. The fall in output value was the result of lower crop yields and prices in 2008. The average grain yield decreased by 0.49 tonnes per hectare and, the average straw yield decreased by 1.24 tonnes per hectare below 2007 levels. Similarly, the grain price per tonne decreased from £151 in 2007 to £119 in 2008, whereas, straw prices were very similar between the years. The increase in variable costs between 2007 and 2008 was mainly the result of higher seed and fertiliser costs in 2008..

**Table 26 Average outputs, variable costs and gross margins per hectare for spring barley, 2007/08 and 2008/09**

	2007/08	2008/09
<b>Number of farms</b>		39
<b>Output</b>		<b>£ per hectare</b>
Grain	765	544
Straw	201	133
<b>Total Output</b>	<b>966</b>	<b>677</b>
<b>Variable Costs</b>		
Seed	46	65
Fertilisers	82	141
Sprays	73	72
Sundries	17	19
<b>Total Variable Costs</b>	<b>218</b>	<b>297</b>
<b>Gross Margin</b>	<b>748</b>	<b>380</b>
Grain yield (tonnes per ha)	5.06	4.57
Straw yield (tonnes per ha)	3.76	2.52

The 'top' performance group of farms in 2008 had an average grain yield of 5.77 tonnes per hectare compared with 3.32 tonnes in the 'bottom' group. These yields generated grain sales of £701 for the 'top group' and £404 for the 'bottom group'. Associated with the higher grain yield was also a higher straw yield which generated straw sales of £162 per hectare in the 'top' group compared with £117 in the 'bottom' group. The average grain price per tonne received by the 'top' group was £1 lower than the 'bottom' group, whereas, the average straw price per tonne in the 'top' performance group was £3 lower than the 'bottom' group. In terms of costs, with the exception of fertiliser there is no discernable pattern between the performance groups. Fertiliser costs were £127 per hectare for the 'top' group and £160 per hectare in the 'bottom' group. These differences in output and inputs between the 'top' and 'bottom' groups resulted in a gross margin of £580 per hectare for the 'top' group and £200 per hectare for the 'bottom' group.

## 4.6 Winter Barley

As shown in Table 27, the average gross margin per hectare for the winter barley crop decreased from £848 in 2007 to £769 in 2008, which is a fall of £79. This decrease was the net effect of a £18 increase in output and a £98 increase in variable costs in 2008. This modest increase in output value resulted from increases in crop yield and decreases in crop prices between 2007 and 2008. In this instance, grain yield increased by 1.24 tonnes per hectare whereas, straw yield increases by 0.12 tonnes per hectare. In terms of output, these increases in yield were counteracted by falls in grain prices of £18 per tonne and straw prices of £9 per tonne. The increase in total variable costs from £293 per hectare in 2007 to £391 per hectare in 2008 was mainly caused by higher fertiliser prices in 2008.

**Table 27      Average outputs, variable costs and gross margins per hectare for winter barley, 2007/08 and 2008/09**

	2007/08	2008/09
<b>Number of farms</b>		
<b>Output</b>		
		8
		£ per
		hectare
Grain	931	980
Straw	211	180
<b>Total Output</b>	<b>1,142</b>	<b>1,160</b>
<b>Variable Costs</b>		
Seed	59	63
Fertilisers	112	197
Sprays	118	117
Sundries	5	15
<b>Total Variable Costs</b>	<b>293</b>	<b>391</b>
<b>Gross Margin</b>	<b>848</b>	<b>769</b>
Grain yield (tonnes per ha)	6.22	7.46
Straw yield (tonnes per ha)	4.08	4.20

The 'above average' group of farms in 2008 had an average grain yield of 7.85 tonnes per hectare, and this was 0.7 tonnes more than the 'below average' group. Higher values for grain and straw output resulted in an output value of £1,307 per hectare for the above average group, some £257 above that of the below average group. Total variable costs per hectare were £91 lower in the 'above average' group at £340 per hectare. The gross margins per hectare were £967 for the above average group and £619 for the below average group.

On average, the winter barley crop gross margin in 2008 was £377 per hectare higher than that for the spring crop. It is usually the case that the winter barley crop out-performs the spring barley crop as the higher returns associated with the higher yield of the winter barley crop more than cover the additional variable costs incurred when compared with the spring barley crop. The last time the average spring barley crop outperformed the average winter barley crop was in 2001.

## 4.7 Winter Wheat

As shown in Table 28 the average gross margin per hectare for the winter wheat crop decreased from £1,176 in 2007 to £680 in 2008, which is a fall of £496. This was the effect of a £345 decrease in output and a £151 increase in variable costs in 2008. The fall in output value was mainly the result of decreases in average grain prices from £166 per tonne in 2007 to £125 in 2008. Straw price received almost unchanged between years.. The average grain yield increased by 0.20 tonnes per hectare, whereas, straw yield decreased by 1.09 tonnes per hectare. As a result of these changes in yields and prices, total output decreased from £1,493 in 2007 to £1,148 in 2008. The increase in total variable costs of £151 per hectare in 2008 was mainly the result of higher fertiliser and sundry costs in 2008.

**Table 28      Average outputs, variable costs and gross margins per hectare for winter wheat, 2007/08 and 2008/09**

	2007/08	2008/09
<b>Number of farms</b>		12
<b>Output</b>		<b>£ per hectare</b>
Grain	1,288	993
Straw	205	155
<b>Total Output</b>	<b>1,493</b>	<b>1,148</b>
<b>Variable Costs</b>		
Seed	54	68
Fertilisers	103	180
Sprays	142	143
Sundries	18	77
<b>Total Variable Costs</b>	<b>317</b>	<b>468</b>
<b>Gross Margin</b>	<b>1,176</b>	<b>680</b>
Grain yield (tonnes per ha)	7.76	7.96
Straw yield (tonnes per ha)	4.61	3.52

The 'above average' group of farms in 2008 had an average grain yield of 9.74 tonnes per hectare, and this was 2.0 tonnes more than the 'below average' group. Higher values for grain and straw output resulted in an output value of £1,426 per hectare for the above average group, some £371 above that of the below average group. Total variable costs per hectare were £64 higher in the 'above average' group at £504 per hectare. The gross margins per hectare were £922 for the above average group and £615 for the below average group.

The 2008 crop results show that the highest gross margin per hectare was obtained by winter barley (£769) followed by winter wheat (£680) and then spring barley (£380). This order is not what would be expected in a normal year as usually winter wheat is highest, followed by winter barley and then spring barley. In fact, in the past 10 years this is only the second time that the gross margin for winter barley has exceeded the gross margin for winter wheat. On saying this, the ranges in performances for the winter barley and wheat crops show that they overlap to quite an extent with many of the better performing winter wheat crops having higher gross margins than the poorer performing winter barley crops.

## 4.8 Potatoes

The gross margin performances for the 2007 and 2008 ware potato crops were £3,143 and £3,652 per hectare respectively. This increase in gross margin of £509 per hectare was the net result of a £853 increase in output and a £344 increase in variable costs between 2007 and 2008. The increase in output resulted from the rise in ware potato prices from £136 per tonne in 2007/08 to £175 per tonne in 2008/09. However, this increase in prices was counteracted to some extent by the fall in ware potato yield from 35.3 tonnes per hectare in 2007 to 31.3 tonnes per hectare in 2008. The rise in total variable costs per hectare from £1,305 per hectare in 2007/08 to £1,649 per hectare in 2008/09 was quite substantial. In terms of individual costs, fertilisers showed the most increase, rising from £197 per hectare in 2007/08 to £438 per hectare in 2008/09. In addition, there were also important increases in the costs of seed (£44 per hectare) and sundries (£56 per hectare) between 2007 and 2008. In total, the average variable costs of production per tonne for the ware crop increased from £36.97 in 2007 to £52.68 in 2008. It should however be noted that the costs included in determining the gross margin for potatoes do not include machinery, conacre rent and hired full-time labour costs. Such costs would be taken into account when determining the full cost of growing potatoes.

**Table 29      Average outputs, variable costs and gross margins per hectare for ware potato crops, 2007/08 and 2008/09**

	Ware Crop	
	2007/08	2008/09
<b>Number of farms</b>		10
	<b>£ per hectare</b>	
<b>Potato Output</b>	<b>4,448</b>	<b>5,301</b>
Variable costs		
Seed	410	454
Fertiliser	197	438
Sprays	304	311
Contract/Casual Wages	262	259
Sundries	132	188
<b>Total Variable costs</b>	<b>1,305</b>	<b>1,649</b>
<b>Gross Margin</b>	<b>3,143</b>	<b>3,652</b>
Total yield (tonnes/ha)	35.3	31.3
Av price per tonne (£)	136	175

Gross margins for the 'top' and 'bottom' performance groups for the main enterprises are summarised in Table 30. They show that for all 7 enterprises, the gross margin for the 'top' group is at least twice that of the 'bottom' group. This outcome is typical of most years and arises because of differing farmer skills and resources. The data, while illustrating the wide range in performance levels found on farms also suggests that there is a possibility for improvements on some farms.

**Table 30 Gross margins of the ‘top’ and ‘bottom’ performance groups for selected enterprises, 2008/09**

			<b>Top<sup>1</sup> Group</b>	<b>Bottom<sup>1</sup> Group</b>
			<b>£ Per head</b>	
Dairy cows			939	410
Suckler cows	-	DA	202	-1
	-	SDA	207	-11
Breeding ewes	-	DA	61	7
	-	SDA	23	-5
	-	Lowland	63	21
Spring barley			580	200

<sup>1</sup> For livestock enterprises the ‘top’ and ‘bottom’ groups refer to 25% of the samples and for crop enterprises 15% of the samples.

## 5. FIXED COSTS

As shown in table 31 the average levels of fixed costs per hectare (excluding labour costs) measured across all farm types increased from £411 in 2007/08 to £445 in 2008/09. At the individual farm type level, six of the seven farm types recorded increases in fixed costs, with the exceptions being General Cropping. Increases in fixed costs per hectare ranged from £19 on Cattle and Sheep (LFA) to £128 on Pigs and Poultry farms. General Cropping farms recorded a decrease in fixed costs of £30 per hectare respectively.

**Table 31 Fixed costs per hectare \* by type of farm, 2007/08 and 2008/09**

	2007/08	2008/09
	£ per ha	
Cereals	495	562
General Cropping	702	672
Pigs and Poultry	1778	1906
Dairy	620	659
Cattle and Sheep (LFA)	245	264
Cattle and Sheep (Lowland)	358	388
Mixed	595	666
<b>All Types</b>	<b>411</b>	<b>445</b>

\* Excludes labour costs.

Table 32 gives a breakdown of fixed costs in both years. Two major components of fixed costs (excluding labour) are depreciation of buildings and works and machinery depreciation. In the 2007/08 and 2008/09, these two cost categories, on average accounted for 42% and 43% respectively of total fixed costs across all types of farm.

**Table 32 Fixed costs per hectare, by category, 2007/08 and 2008/09**

	2007/08	2008/09
	£ per ha	
Depreciation of buildings and works	70	87
Depreciation of machinery	104	105
Machinery running costs	101	114
Farm insurance	12	12
Farm fuel	18	20
Rates and water charges	12	11
Building repairs and miscellaneous	68	71
Interest payments	25	24
<b>Total</b>	<b>411</b>	<b>445</b>

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

## **APPENDICES 1.1 – 1.7**

## APPENDIX 1

**Table 1.1 – CEREAL AND GENERAL CROPPING FARMS – ALL SIZES  
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -  
IDENTICAL SAMPLE 2007/08 AND 2008/09**

	Cereals			General Cropping		
	2007/08	2008/09	% Change	2007/08	2008/09	% Change
Number of farms						
Average size of business (ESUs)		38.8			128.9	
Total Area of Farm (ha)	74.9	76.9	2.7	79.5	84.8	6.7
of which: Crops and grass	72.4	74.5	2.9	78.6	83.8	6.6
Rough grazing	.4	.4	-	-	-	-
<b>SIZE OF ENTERPRISES:</b>						
Hectares - Total crops	62.9	64.4	2.4	78.6	83.8	6.6
(of which cereals)	45.2	51.0	12.8	42.8	50.7	18.5
Av. no. - Dairy cows	-	-	-	-	-	-
Av. no. - Beef cows	0.2	-	-100.0	-	-	-
Av. no. - Other cattle	7.8	6.5	-16.7	-	-	-
Av. no. - Ewes	51.3	49.3	-3.9	-	-	-
Av. no. - Sows/gilts	-	-	-	-	-	-
<b>CROP OUTPUT:</b>						
Cereals	48218	44451	-7.8	37972	35586	-6.3
Potatoes	-	-	-	164378	194197	18.1
Misc. crop output	22114	20978	-5.1	11336	8389	-26.0
<b>TOTAL CROP PRODUCTION</b>	<b>70332</b>	<b>65429</b>	<b>-7.0</b>	<b>213686</b>	<b>238172</b>	<b>11.5</b>
<b>LIVESTOCK OUTPUT:</b>						
Cattle – rearing & fattening	1227	2461	100.6	-	-	-
Cattle – dairy	-	-	-	-	-	-
Milk	-	-	-	-	-	-
Sheep and wool	3599	3830	6.4	-	-	-
Pigs	-	-	-	-	-	-
Poultry and eggs	-	-	-	-	-	-
Other livestock	-	-	-	-	-	-
<b>TOTAL LIVESTOCK OUTPUT</b>	<b>4827</b>	<b>6291</b>	<b>30.3</b>	<b>-</b>	<b>-</b>	<b>-</b>
Single Farm Payment	14037	15657	11.5	8364	9340	11.7
LFA Compensatory Allowance Scheme	-	-	-	-	-	-
Agri Environmental Scheme	2007	2002	-0.2	970	1244	28.2
Miscellaneous Subsidies	-	-	-	-	896	-
Miscellaneous revenue	4482	4869	8.6	201	783	289.6
On Farm - Non Farm Income	1386	1386	-	-	-	-
Adjustment for disposal of previous years crop	1798	1075	-40.2	246	346	40.7
<b>TOTAL FARM OUTPUT</b>	<b>98869</b>	<b>96710</b>	<b>-2.2</b>	<b>223466</b>	<b>250781</b>	<b>12.2</b>

INPUTS	Cereals			General Cropping		
	2007/08 £ per farm	2008/09	% Change	2007/08 £ per farm	2008/09	% Change
Purchased concentrate feed & fodder	598	592	-1.0	-	-	-
Home grown concentrate feed	317	204	-35.6	-	-	-
Veterinary fees & medicines	399	322	-19.3	-	-	-
Other livestock costs	246	61	-75.2	-	-	-
Purchased & home grown seed	2400	3402	41.8	14997	18372	22.5
Fertilisers	7584	13899	83.3	11383	25268	122.0
Other crop costs	6987	8464	21.1	20516	22902	11.6
Regular & casual labour	1017	1098	8.0	14512	13582	-6.4
Machinery excluding depreciation	15605	17504	12.2	27373	28909	5.6
Depreciation of plant machinery & vehicles	13467	17665	31.2	24344	20786	-14.6
Depreciation of building & works	3458	3515	1.6	2623	2627	0.2
Land & building inputs	5274	6823	29.4	24246	26435	9.0
Interest payments	1999	2332	16.7	3975	3891	-2.1
Other general farming costs	6193	6214	0.3	8323	8672	4.2
<b>TOTAL VARIABLE COSTS</b>	<b>25824</b>	<b>35726</b>	<b>38.3</b>	<b>63258</b>	<b>82324</b>	<b>30.1</b>
<b>TOTAL FIXED COSTS</b>	<b>39721</b>	<b>46371</b>	<b>16.7</b>	<b>89035</b>	<b>89120</b>	<b>0.1</b>
<b>TOTAL INPUTS</b>	<b>65545</b>	<b>82097</b>	<b>25.3</b>	<b>152293</b>	<b>171444</b>	<b>12.6</b>
<b>FARM BUSINESS INCOME</b>	<b>33324</b>	<b>14613</b>	<b>-56.1</b>	<b>71173</b>	<b>79336</b>	<b>11.5</b>
(plus) depreciation of buildings & works	3458	3515	1.6	2623	2627	-0.2
(plus) depreciation of plant machinery & vehicles	13467	17665	31.2	24344	20786	-14.6
(minus) valuation change	7359	-4603	-162.5	-1892	-9309	-392.0
<b>(equals) CASH INCOME</b>	<b>42891</b>	<b>40397</b>	<b>-5.8</b>	<b>100032</b>	<b>112059</b>	<b>12.0</b>
(minus) Net capital investment	31457	32915	4.6	16297	9351	-42.6
<b>CASH FLOW FARM BUSINESS</b>	<b>11433</b>	<b>7482</b>	<b>-34.6</b>	<b>83735</b>	<b>102708</b>	<b>-22.7</b>
<b>AVERAGE VALUATIONS</b>	<b>76473</b>	<b>86813</b>	<b>13.5</b>	<b>135587</b>	<b>121973</b>	<b>--10.0</b>

**TABLE 1.2 –MIXED FARMS AND PIGS & POULTRY– ALL SIZES  
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -  
IDENTICAL SAMPLE 2007/08 AND 2008/09**

	2007/08	Mixed 2008/09	% Change	2007/08	Pigs and Poultry 2008/09	% Change
Number of farms						
Average size of business (ESUs)		42.7			29.2	
Total Area of Farm (ha)	72.2	72.8	0.8	13.4	13.4	-
of which: Crops and grass	68.2	69.0	1.2	12.3	12.3	-
Rough grazing	2.6	2.6	-	-	-	-
<b>SIZE OF ENTERPRISES:</b>						
Hectares - Total crops	15.7	18.1	15.3	-	-	-
(of which cereals)	14.1	16.6	17.7	-	-	-
Av. no. - Dairy cows	-	-	-	-	-	-
Av. no. - Beef cows	24.7	22.8	-7.7	-	-	-
Av. no. - Other cattle	94.3	91.8	-2.7	33.5	37.7	12.5
Av. no. - Ewes	92.5	91.3	-1.3	19.3	14.9	-22.8
Av. no. - Sows/gilts	18.9	19.3	2.1	121.0	111.8	-7.6
<b>CROP OUTPUT:</b>		<b>£ per farm</b>			<b>£ per farm</b>	
Cereals	13379	11827	-11.6	-	-	-
Potatoes	3966	5665	42.8	-	-	-
Misc. crop output	4432	3118	-29.6	74	-315	-525.7
<b>TOTAL CROP PRODUCTION</b>	<b>21778</b>	<b>20610</b>	<b>-5.4</b>	<b>74</b>	<b>-315</b>	<b>-525.7</b>
<b>LIVESTOCK OUTPUT:</b>						
Cattle – rearing & fattening	29416	41015	39.4	10973	19999	82.3
Cattle – dairy	-	-	-	-	-	-
Milk	-	-	-	-	-	-
Sheep and wool	6775	8678	28.1	1223	1677	37.1
Pigs	26905	34273	27.4	146933	148154	0.8
Poultry and eggs	-	-	-	-	-	-
Other livestock	-	-	-	-	-	-
<b>TOTAL LIVESTOCK OUTPUT</b>	<b>63096</b>	<b>83965</b>	<b>33.1</b>	<b>159129</b>	<b>169830</b>	<b>6.7</b>
Single Farm Payment	20343	22677	11.5	3590	4000	11.4
LFA Compensatory scheme	389	396	1.8	-	-	-
Agri Environmental Scheme	1336	1833	37.2	-	620	-
Miscellaneous subsidies	98	100	2.0	-	-	-
Miscellaneous revenue	16850	17497	3.8	2095	1511	-27.9
On Farm - Non Farm Income	2398	2997	25.0	-	-	-
Adjustment for disposal of previous years crop	112	290	158.9	-	-	-
<b>TOTAL FARM OUTPUT</b>	<b>126400</b>	<b>150366</b>	<b>19.0</b>	<b>164887</b>	<b>175645</b>	<b>6.5</b>

INPUTS	Mixed			Pigs and Poultry		
	2007/08 £ per farm	2008/09	% change	2007/08 £ per farm	2008/09	% change
Purchased concentrate feed & fodder	25530	32432	27.0	111979	108726	-2.9
Home grown concentrate feed	3142	3278	4.3	-	-	-
Veterinary fees & medicines	2849	3175	11.4	6545	4514	-31.0
Other livestock costs	1826	2013	10.2	6032	4830	-19.9
Purchased & home grown seed	1292	1827	41.4	-	31	-
Fertilisers	5337	8936	67.4	222	164	-26.1
Other crop costs	2442	2820	15.5	81	283	249.4
Regular & casual labour	4413	4845	9.8	1288	1485	15.3
Machinery excluding depreciation	14966	18338	22.5	3772	4577	21.3
Depreciation of plant machinery & vehicles	14577	16298	11.8	4570	3538	-22.6
Depreciation of building & works	3339	3777	13.1	1996	2885	44.5
Land & building inputs	6935	7629	10.0	3902	4738	21.4
Interest payments	1079	1071	-0.7	1036	826	-20.3
Other general farming costs	7937	8460	6.6	8063	8088	0.3
<b>TOTAL VARIABLE COSTS</b>	<b>46293</b>	<b>59378</b>	<b>28.3</b>	<b>127140</b>	<b>120871</b>	<b>-4.9</b>
<b>TOTAL FIXED COSTS</b>	<b>49371</b>	<b>55521</b>	<b>12.5</b>	<b>22348</b>	<b>23813</b>	<b>6.6</b>
<b>TOTAL INPUTS</b>	<b>95664</b>	<b>114899</b>	<b>20.1</b>	<b>149488</b>	<b>144684</b>	<b>-3.2</b>
<b>FARM BUSINESS INCOME</b>	<b>30736</b>	<b>35467</b>	<b>15.4</b>	<b>15398</b>	<b>30961</b>	<b>101.1</b>
(plus) depreciation of buildings & works	3339	3777	13.1	1996	2885	44.5
(plus) depreciation of plant machinery & vehicles	14577	16298	11.8	4570	3538	-22.6
(minus) valuation change	8375	154	-98.2	-6828	9648	241.3
<b>(equals) CASH INCOME</b>	<b>40276</b>	<b>55388</b>	<b>37.5</b>	<b>28793</b>	<b>27736</b>	<b>-3.7</b>
(minus) Net capital investment	23624	24068	1.9	12633	8658	-31.5
<b>( equals ) CASH FLOW FARM BUSINESS</b>	<b>16652</b>	<b>31320</b>	<b>88.1</b>	<b>16159</b>	<b>19078</b>	<b>18.1</b>
<b>AVERAGE VALUATIONS</b>	<b>130050</b>	<b>140326</b>	<b>7.9</b>	<b>73593</b>	<b>75699</b>	<b>2.9</b>

**TABLE 1.3 LOWLAND CATTLE AND SHEEP  
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -  
IDENTICAL SAMPLE 2007/08 AND 2008/09**

	0.5 < 1 SLR			1 < 2 SLR			ALL SIZES		
	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change
Number of farms		9			12			27	
Average size of business (ESUs)		14.7			31.9			26.1	
Total Area of Farm (ha)	41.1	39.1	-4.9	85.5	86.2	0.8	63.1	62.4	-1.1
of which: Crops and grass	35.1	33.1	-5.7	68.5	69.1	0.9	54.1	53.3	-1.5
Rough grazing	2.5	2.7	8.0	15.4	15.4	-	6.3	6.4	1.6
<b>SIZE OF ENTERPRISES:</b>									
Hectares - Total crops	1.7	2.2	29.4	4.2	6.4	52.4	3.4	4.4	29.4
Av. No. - Dairy cows	-	-	-	-	-	-	-	-	-
Av. No. - Beef cows	14.9	14.4	-3.4	35.4	32.4	-8.5	30.5	29.7	-2.6
Av. No. - Other cattle	46.8	52.8	12.8	117.5	117.5	-	86.1	88.0	2.2
Av. No. - Ewes	79.0	66.9	-15.3	74.7	73.7	-1.3	88.7	78.2	-11.8
Av. No. - Sows/gilts	-	-	-	-	-	-	-	-	-
<b>CROP OUTPUT:</b>									
Cereals	1076	1327	23.3	3097	3873	25.1	2063	2345	13.7
Potatoes	-	-	-	897	423	-52.8	1275	1243	-2.5
Misc. crop output	139	66	-52.5	356	721	102.5	838	790	-5.7
<b>Total Crop Production</b>	<b>1215</b>	<b>1393</b>	<b>14.7</b>	<b>4350</b>	<b>5016</b>	<b>15.3</b>	<b>4177</b>	<b>4379</b>	<b>4.8</b>
<b>Livestock Output:</b>									
Cattle – rearing & fattening	12955	22361	72.6	38237	53036	38.7	27365	39734	45.2
Cattle – dairy	-	-	-	-	-	-	-	-	-
Milk	-	-	-	-	-	-	-	-	-
Sheep and wool	4032	3779	-6.3	5410	5910	9.2	5161	5364	3.9
Pigs	-	-	-	349	380	8.9	107	116	8.4
Poultry and eggs	-	-	-	-	-	-	-	-	-
Other livestock	-	-	-	57	-	-100.0	17	8	-52.9
<b>TOTAL LIVESTOCK OUTPUT</b>	<b>16987</b>	<b>26141</b>	<b>53.9</b>	<b>44053</b>	<b>59326</b>	<b>34.7</b>	<b>32650</b>	<b>45223</b>	<b>38.5</b>
Single Farm Payment	8899	10149	14.0	19930	22162	11.2	16155	18119	12.2
LFA Compensatory scheme	105	105	-	768	661	-13.9	326	297	-8.9
Agri Environmental Scheme	824	1743	111.5	1931	2692	39.4	1328	2041	53.7
Miscellaneous subsidies	-	-	-	-	20	-	69	124	79.7
Miscellaneous revenue	1879	598	-68.2	483	394	-18.4	1816	775	-57.3
On Farm - Non Farm Income	2778	2778	-	-	-	-	1732	1732	-
Adjustment for disposal of previous years crop	-	-	-	95	-29	-130.5	13	-10	-176.9
<b>TOTAL FARM OUTPUT</b>	<b>32686</b>	<b>42906</b>	<b>31.3</b>	<b>71609</b>	<b>90241</b>	<b>26.0</b>	<b>58265</b>	<b>72680</b>	<b>24.7</b>

INPUTS	0.5 < 1 SLR			1 < 2 SLR			ALL SIZES		
	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change
	£ per farm			£ per farm			£ per farm		
Purchased concentrate feed & fodder	6926	9321	34.6	10602	11977	13.0	10132	11699	15.5
Home grown concentrate feed	673	1189	76.7	1477	1861	26.0	1186	1726	45.5
Veterinary fees & medicines	869	970	11.6	1882	2202	17.0	1518	1718	13.2
Other livestock costs	953	1133	18.9	836	1232	47.4	1069	1398	30.8
Purchased & home grown seed	160	417	160.6	449	554	23.4	346	538	55.5
Fertilisers	1680	2324	38.3	4204	5869	39.6	3190	4559	42.9
Other crop costs	326	324	-0.6	572	975	70.5	589	967	64.2
Regular & casual labour	2812	3181	13.1	2220	2464	11.0	2587	2842	9.9
Machinery excluding depreciation	4344	6439	48.2	7848	9650	23.0	6900	8604	24.7
Depreciation of plant machinery & vehicles	2613	2147	-17.8	7088	6442	-9.1	5743	5312	-7.5
Depreciation of building & works	2643	2756	4.3	2294	3594	56.7	3481	4501	29.3
Land & building inputs	3339	2787	-16.5	6857	7760	13.2	5945	5804	-2.4
Interest payments	836	1028	23.0	1389	1235	-11.1	1027	1124	9.4
Other general farming costs	3791	3824	0.9	5264	5593	6.3	4583	4688	2.3
<b>TOTAL VARIABLE COSTS</b>	<b>13657</b>	<b>19208</b>	<b>40.6</b>	<b>23901</b>	<b>29618</b>	<b>23.9</b>	<b>21527</b>	<b>27059</b>	<b>25.7</b>
<b>TOTAL FIXED COSTS</b>	<b>18307</b>	<b>18633</b>	<b>1.8</b>	<b>29081</b>	<b>31789</b>	<b>9.3</b>	<b>26770</b>	<b>28421</b>	<b>6.2</b>
<b>TOTAL INPUTS</b>	<b>31964</b>	<b>37841</b>	<b>18.4</b>	<b>52981</b>	<b>61407</b>	<b>15.9</b>	<b>48297</b>	<b>55480</b>	<b>14.9</b>
<b>FARM BUSINESS INCOME</b>	<b>722</b>	<b>5065</b>	<b>601.5</b>	<b>18628</b>	<b>28833</b>	<b>54.8</b>	<b>9967</b>	<b>17200</b>	<b>72.6</b>
(plus) depreciation of buildings & works	2643	2756	4.3	2294	3594	56.7	3481	4501	29.3
(plus) depreciation of plant machinery & vehicles	2613	2147	-17.8	7088	6442	-9.1	5743	5312	-7.5
(minus) valuation change	2084	2721	30.6	-1624	15320	1043.3	1247	7621	511.1
<b>(equals) CASH INCOME</b>	<b>3894</b>	<b>7247</b>	<b>86.1</b>	<b>29633</b>	<b>23549</b>	<b>-20.5</b>	<b>17945</b>	<b>19393</b>	<b>8.1</b>
(minus) Net capital investment	3433	25869	653.5	7349	14449	96.6	6653	25251	279.5
<b>( equals ) CASH FLOW FARM BUSINESS</b>	<b>461</b>	<b>-18622</b>	<b>-4139.5</b>	<b>22284</b>	<b>9100</b>	<b>-59.2</b>	<b>11291</b>	<b>-5858</b>	<b>-151.9</b>
<b>AVERAGE VALUATIONS</b>	<b>44335</b>	<b>45866</b>	<b>3.5</b>	<b>101006</b>	<b>110349</b>	<b>9.2</b>	<b>77898</b>	<b>83085</b>	<b>6.7</b>

**TABLE 1.4 – DAIRY FARMS  
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -  
IDENTICAL SAMPLE 2007/08 AND 2008/09**

	0.5 < 1 SLR			1 < 2 SLR			2 < 3 SLR			> 3 SLR		
	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change
Number of farms		13			35			28			27	
Average size of business (ESUs)		30.3			50.1			84.3			177.8	
Total Area of Farm (ha)	32.0	32.4	1.3	44.9	45.0	0.2	70.8	73.5	3.8	129.8	137.2	5.7
of which: Crops and grass	30.1	30.5	1.3	42.3	42.3	-	64.7	67.7	4.6	123.9	128.4	3.6
Rough grazing	0.8	0.8	-	1.2	1.2	-	4.9	4.5	-8.2	3.7	6.5	75.7
<b>SIZE OF ENTERPRISES:</b>												
Hectares - Total crops	0.2	0.2	-	0.7	0.7	-	1.9	1.5	-21.1	3.7	6.2	67.6
Av. no - Dairy cows	34.4	33.9	-1.5	57.6	56.9	-1.2	98.7	98.7	-	210.8	216.0	2.5
Av. no - Beef cows	1.2	1.1	-8.3	2.8	2.8	-	1.7	1.4	-17.6	4.3	3.8	-11.6
Av. no - Other cattle	27.0	26.9	-0.4	46.3	46.6	0.6	70.4	74.9	6.4	146.8	149.0	1.5
Av. no - Ewes	1.3	1.4	7.7	2.2	2.1	-4.5	1.3	0.8	-38.5	7.9	6.6	-16.5
Av. no - Sows/gilts	-	-	-	-	-	-	6.2	0.5	-91.9	3.5	3.5	-
<b>CROP OUTPUT:</b>												
Cereals	117	109	-6.8	471	323	-31.4	1156	657	-43.2	3024	4439	46.8
Potatoes	-	-	-	-	-	-	234	-	-100.0	-	-	-
Misc. crop output	149	-371	-349.0	140	12	-91.4	338	695	105.6	2295	380	-83.4
<b>Total Crop Production</b>	<b>266</b>	<b>-262</b>	<b>-198.5</b>	<b>611</b>	<b>334</b>	<b>-45.3</b>	<b>1727</b>	<b>1352</b>	<b>-21.7</b>	<b>5319</b>	<b>4820</b>	<b>-9.4</b>
<b>Livestock Output:</b>												
Cattle – rearing & fattening	8829	8970	1.6	12968	15429	19.0	24489	29984	22.4	50319	46934	-6.7
Cattle – dairy	-64	833	1401.6	-1462	-722	50.6	-4549	-3703	18.6	-14827	-3810	74.3
Milk	40421	39875	-1.4	70766	66009	-6.7	116591	110912	-4.9	294169	291762	-0.8
Sheep and wool	86	124	44.2	188	176	-6.4	143	186	30.1	450	410	-8.9
Pigs	-	-	-	-	-	-	7324	5243	-28.4	5079	6226	22.6
Poultry and eggs	-	-	-	-	-	-	1788	1732	-3.1	-	-	-
Other livestock	-	-	-	-	-	-	-	-	-	104	-	-100.0
<b>TOTAL LIVESTOCK OUTPUT</b>	<b>49272</b>	<b>49802</b>	<b>1.1</b>	<b>82460</b>	<b>80892</b>	<b>-1.9</b>	<b>145785</b>	<b>144354</b>	<b>-1.0</b>	<b>335294</b>	<b>341523</b>	<b>1.9</b>
Single Farm Payment	6568	7311	11.3	10314	11475	11.3	17183	19319	12.4	28764	31846	10.7
LFA Compensatory scheme	62	34	-45.2	288	235	-18.4	185	133	-28.1	239	252	5.4
Agricultural Environment Schemes	411	313	-23.8	854	775	-9.3	1365	1357	-0.6	1728	1538	-11.0
Miscellaneous Subsidies	-	27	-	12	167	1291.7	16	13	-18.8	1148	58	-94.9
Miscellaneous Revenue	427	82	-80.8	317	187	-41.0	486	319	-34.4	2021	2253	11.5
On Farm - Non Farm Income	290	362	24.8	-	-	-	-	275	-	604	963	59.4
Adjustment for disposal of previous years crop	-	-	-	-	-1	-	-	-19	-	88	-	-100.0
<b>Total Farm Output</b>	<b>57295</b>	<b>57669</b>	<b>0.7</b>	<b>94856</b>	<b>94063</b>	<b>-0.8</b>	<b>166747</b>	<b>167104</b>	<b>0.2</b>	<b>375206</b>	<b>383252</b>	<b>2.1</b>

	0.5 < 1 SLR			1 < 2 SLR			2 < 3 SLR			> 3 SLR		
	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change
	£ per farm			£ per farm			£ per farm			£ per farm		
<b>INPUTS</b>												
Purchased concentrate feed & fodder	10994	13785	25.4	20094	25568	27.2	36007	41376	14.9	95700	125029	30.6
Home grown concentrate feed	2002	1288	-35.7	1600	1502	-6.1	2489	2380	-4.4	6565	8941	36.2
Veterinary fees & medicines	1658	1768	6.6	2412	2401	-0.5	3969	4165	4.9	8530	9931	16.4
Other livestock costs	1979	1945	-1.7	2857	3196	11.9	3674	3983	8.4	11949	13631	14.1
Purchased & home grown seed	30	86	186.7	190	160	-15.8	391	270	-30.9	1899	2211	16.4
Fertilisers	2278	2953	29.6	4167	6323	51.7	6742	10657	58.1	12564	21596	71.9
Other crop costs	262	281	7.3	491	605	23.2	950	1195	25.8	2518	3235	28.5
Regular & casual labour	647	1020	57.7	763	939	23.1	1776	2486	40.0	7335	10982	49.7
Machinery excluding depreciation	5214	5964	14.4	8250	9548	15.7	13181	14614	10.9	28759	35691	24.1
Depreciation of plant machinery & vehicles	3003	3270	8.9	4776	4925	3.1	9191	9214	0.3	18391	18896	2.7
Depreciation of building & works	3304	4273	29.3	5797	7366	27.1	9993	11713	17.2	16359	22854	39.7
Land & building inputs	3070	3005	-2.1	3853	4489	16.5	7847	8297	5.7	21514	23625	9.8
Interest payments	806	715	-11.3	946	988	4.4	3266	3201	-2.0	9056	8186	-9.6
Other general farming costs	5387	5481	1.7	6831	6882	0.7	9036	9253	2.4	14704	14606	-0.7
<b>TOTAL VARIABLE COSTS</b>	<b>21797</b>	<b>25497</b>	<b>17.0</b>	<b>35701</b>	<b>44434</b>	<b>24.5</b>	<b>61031</b>	<b>72151</b>	<b>18.2</b>	<b>157567</b>	<b>209654</b>	<b>33.1</b>
<b>TOTAL FIXED COSTS</b>	<b>18838</b>	<b>20336</b>	<b>8.0</b>	<b>27326</b>	<b>30458</b>	<b>11.5</b>	<b>47482</b>	<b>50653</b>	<b>6.7</b>	<b>98275</b>	<b>109768</b>	<b>11.7</b>
<b>TOTAL INPUTS</b>	<b>40634</b>	<b>45833</b>	<b>12.8</b>	<b>63027</b>	<b>74893</b>	<b>18.8</b>	<b>108513</b>	<b>122804</b>	<b>13.2</b>	<b>255843</b>	<b>319413</b>	<b>24.8</b>
<b>FARM BUSINESS INCOME</b>	<b>16661</b>	<b>11836</b>	<b>-29.0</b>	<b>31829</b>	<b>19170</b>	<b>-39.8</b>	<b>58234</b>	<b>44300</b>	<b>-23.9</b>	<b>119363</b>	<b>63839</b>	<b>-46.5</b>
(plus) depreciation of buildings & works	3304	4273	29.3	5797	7366	27.1	9993	11713	17.2	16359	22854	39.7
(plus) depreciation of plant machinery & vehicles	3003	3270	8.9	4776	4925	3.1	9191	9214	0.3	18391	18896	2.7
(minus) valuation change	299	274	-8.4	1583	1003	-36.6	6647	101	-98.5	15362	9205	-40.1
<b>(equals) CASH INCOME</b>	<b>22668</b>	<b>19106</b>	<b>-15.7</b>	<b>40820</b>	<b>30459</b>	<b>-25.4</b>	<b>70771</b>	<b>65127</b>	<b>-8.0</b>	<b>138751</b>	<b>96383</b>	<b>-30.5</b>
(minus) Net capital investment	5952	8936	50.1	15799	9996	-36.7	29736	38588	29.8	51796	79171	52.9
<b>( equals ) CASH FLOW FARM BUSINESS</b>	<b>16716</b>	<b>10169</b>	<b>-39.2</b>	<b>25021</b>	<b>20463</b>	<b>-18.2</b>	<b>41035</b>	<b>26539</b>	<b>-35.3</b>	<b>86955</b>	<b>17213</b>	<b>-80.2</b>
<b>AVERAGE VALUATIONS</b>	<b>42782</b>	<b>44308</b>	<b>3.6</b>	<b>70349</b>	<b>73563</b>	<b>4.6</b>	<b>120585</b>	<b>125514</b>	<b>4.1</b>	<b>245820</b>	<b>265264</b>	<b>7.9</b>

**TABLE 1.5 – LFA CATTLE AND SHEEP  
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -  
IDENTICAL SAMPLE 2007/08 AND 2008/09**

	0.5 < 1 SLR			1 < 2 SLR			2 < 3 SLR			> 3 SLR		
	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change
Number of farms		47			49			11			6	
Average size of business (SLRs)		17.7			31.1			57.1			85.9	
Total Area of Farm (ha)	68.3	67.9	-0.6	125.1	128.3	2.6	213.9	211.0	-1.4	368.1	348.4	-5.4
of which: Crops and grass	44.4	43.6	-1.8	70.6	69.7	-1.3	100.9	100.0	-0.9	154.1	141.0	-8.5
Rough grazing	21.1	21.3	0.9	47.0	46.9	-0.2	99.4	95.8	-3.6	120.5	112.8	-6.4
<b>SIZE OF ENTERPRISES:</b>												
Hectares - Total crops	0.5	0.5	-	1.8	1.5	-16.7	3.5	2.3	-34.3	6.4	5.3	-17.2
Av. no. - Dairy cows	-	0.2	-	0.1	-	-100.0	-	-	-	-	-	-
Av. no. - Beef cows	27.7	25.4	-8.3	40.9	37.7	-7.8	86.1	78.2	-9.2	84	66.8	-20.5
Av. no. - Other cattle	44.9	43.9	-2.2	82.2	80.5	-2.1	112.2	119.8	6.8	315.4	287.4	-8.9
Av. no. - Ewes	109.2	101.1	-7.4	214.8	209.7	-2.4	293.4	295.5	0.7	591.7	588.3	-0.6
Av. no. - Sows/gilts	-	-	-	-	-	-	-	-	-	-	-	-
<b>CROP OUTPUT:</b>												
Cereals	88	69	-21.6	1292	780	-39.6	1411	602	-57.3	5241	3740	-28.6
Potatoes	-	-	-	-	-	-	2883	5117	77.5	-	-	-
Misc. crop output	146	119	-18.5	496	600	21.0	-90	1365	1616.7	1034	2099	103.0
<b>Total Crop Production</b>	<b>234</b>	<b>189</b>	<b>-19.2</b>	<b>1788</b>	<b>1380</b>	<b>-22.8</b>	<b>4204</b>	<b>7084</b>	<b>68.5</b>	<b>6276</b>	<b>5840</b>	<b>-6.9</b>
<b>Livestock Output:</b>												
Cattle – rearing & fattening	14921	18657	25.0	29232	39992	36.8	46892	63384	35.2	85163	111426	30.8
Cattle – dairy	-	-	-	-10	-	100.0	-	-	-	-	-	-
Milk	-	-	-	-	-	-	-	-	-	-	-	-
Sheep and wool	7252	7906	9.0	11651	13356	14.6	12521	20036	60.0	27845	36358	30.6
Pigs	-	-	-	-	-	-	-	-	-	-	-	-
Poultry and eggs	-	-	-	811	759	-6.4	-	-	-	-	-	-
Other livestock	-	5	-	87	66	-24.1	-	-	-	28	96	242.9
<b>Total Livestock Output</b>	<b>22174</b>	<b>26567</b>	<b>19.8</b>	<b>41771</b>	<b>54172</b>	<b>29.7</b>	<b>59413</b>	<b>83420</b>	<b>40.4</b>	<b>113037</b>	<b>147880</b>	<b>30.8</b>
Single Farm Payment	13873	15461	11.4	23037	26039	13.0	36545	40865	11.8	73735	83144	12.8
LFA Compensatory scheme	2462	2466	0.2	4880	4867	-0.3	7904	7982	1.0	9594	10963	14.3
Agricultural Environment Schemes	2145	2150	0.2	3605	4000	11.0	4674	5161	10.4	4771	5125	7.4
Miscellaneous Subsidies	28	41	46.4	79	75	-5.1	536	17	-96.8	634	-	-100.0
Miscellaneous Revenue	1219	1126	-7.6	1266	1176	-7.1	999	921	-7.8	1231	2623	113.1
On Farm – Non Farm Income	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment for disposal of previous years crop	5	-	-100.0	-	-	-	-	-	-	-	-	-
<b>Total Farm Output</b>	<b>42139</b>	<b>47999</b>	<b>13.9</b>	<b>76427</b>	<b>91710</b>	<b>20.0</b>	<b>114276</b>	<b>145450</b>	<b>27.3</b>	<b>209278</b>	<b>255574</b>	<b>22.1</b>

INPUTS	0.5 < 1 SLR			1 < 2 SLR			2 < 3 SLR			> 3 SLR		
	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change
	£ per fam			£ per fam			£ per fam			£ per fam		
Purchased concentrate feed & fodder	5359	6862	28.0	11877	15176	27.8	13269	19906	50.0	32610	46551	42.8
Home grown concentrate feed	3	85	2733.3	604	682	12.9	1469	549	-62.6	4764	5638	18.3
Veterinary fees & medicines	1449	1702	17.5	2348	2560	9.0	3814	3648	-4.4	6618	5239	-20.8
Other livestock costs	987	959	-2.8	1575	1589	0.9	2504	2619	4.6	2328	1208	-48.1
Purchased & home grown seed	74	59	-20.3	159	328	106.3	1708	811	-52.5	550	415	-24.5
Fertilisers	2498	3419	36.9	4299	6249	45.4	7629	10635	39.4	13129	16397	24.9
Other crop costs	327	307	-6.1	500	699	39.8	1544	1582	2.5	1395	1587	13.8
Regular & casual labour	593	685	15.5	1548	1659	7.2	4394	4248	-3.3	4585	5060	10.4
Machinery excluding depreciation	6170	6959	12.8	8611	9614	11.6	12458	14266	14.5	16904	17813	5.4
Depreciation of plant machinery & vehicles	4957	4934	-0.5	7783	8063	3.6	9342	8624	-7.7	14422	11574	-19.7
Depreciation of building & works	2714	2675	-1.4	3415	4260	24.7	5914	8746	47.9	17899	19636	9.7
Land & building inputs	3113	3223	3.5	5389	5934	10.1	9935	10635	7.0	10918	13974	28.0
Interest payments	599	577	-3.7	1090	1057	-3.0	1898	1321	-30.4	135	635	370.4
Other general farming costs	4206	4225	0.5	4747	5033	6.0	6549	6583	0.5	8312	8612	3.6
<b>TOTAL VARIABLE COSTS</b>	<b>12870</b>	<b>15976</b>	<b>24.1</b>	<b>24981</b>	<b>31069</b>	<b>24.4</b>	<b>40385</b>	<b>48014</b>	<b>18.9</b>	<b>63925</b>	<b>81136</b>	<b>26.9</b>
<b>TOTAL FIXED COSTS</b>	<b>20181</b>	<b>20696</b>	<b>2.6</b>	<b>28966</b>	<b>31834</b>	<b>9.9</b>	<b>42042</b>	<b>46159</b>	<b>9.8</b>	<b>70644</b>	<b>73204</b>	<b>3.6</b>
<b>TOTAL INPUTS</b>	<b>33050</b>	<b>36672</b>	<b>11.0</b>	<b>53947</b>	<b>62902</b>	<b>16.6</b>	<b>82427</b>	<b>94173</b>	<b>14.3</b>	<b>134569</b>	<b>154340</b>	<b>14.7</b>
<b>FARM BUSINESS INCOME</b>	<b>9089</b>	<b>11327</b>	<b>24.6</b>	<b>22480</b>	<b>28808</b>	<b>28.1</b>	<b>31848</b>	<b>51277</b>	<b>61.0</b>	<b>74709</b>	<b>101234</b>	<b>35.5</b>
(plus) depreciation of buildings & works	2714	2675	-1.4	3415	4260	24.7	5914	8746	47.9	17899	19636	9.7
(plus) depreciation of plant machinery & vehicles	4957	4934	-0.5	7783	8063	3.6	9342	8624	-7.7	14422	11574	-19.7
(minus) valuation change	-100	1546	1646.0	-1139	5052	543.5	8886	5182	-41.7	-21774	-1766	91.9
<b>(equals) CASH INCOME</b>	<b>16860</b>	<b>17390</b>	<b>3.1</b>	<b>34816</b>	<b>36079</b>	<b>3.6</b>	<b>38219</b>	<b>63465</b>	<b>66.1</b>	<b>128804</b>	<b>134210</b>	<b>4.2</b>
(minus) Net capital investment	6281	12008	91.2	8001	23633	195.4	11853	19342	63.2	161585	40312	-75.1
<b>( equals ) CASH FLOW FARM BUSINESS</b>	<b>10579</b>	<b>5382</b>	<b>-49.1</b>	<b>26815</b>	<b>12446</b>	<b>-53.6</b>	<b>26366</b>	<b>44123</b>	<b>67.3</b>	<b>-32780</b>	<b>93898</b>	<b>386.4</b>
<b>AVERAGE VALUATIONS</b>	<b>50465</b>	<b>51168</b>	<b>1.4</b>	<b>91403</b>	<b>94259</b>	<b>3.1</b>	<b>117902</b>	<b>123600</b>	<b>4.8</b>	<b>245502</b>	<b>227769</b>	<b>-7.2</b>

**TABLE 1.6 – DAIRY AND LFA CATTLE AND SHEEP – ALL SIZES  
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -  
IDENTICAL SAMPLE 2007/08 AND 2008/09**

	DAIRY			LFA CATTLE AND SHEEP		
	2007/08	2008/09	% Change	2007/08	2008/09	% Change
Number of farms						
Average size of business (SLRs)		94.4			25.0	
Total Area of Farm (ha)	75.1	78.1	4.0	98.3	98.2	-0.1
of which: Crops and grass	70.8	72.9	3.0	56.9	55.8	-1.9
Rough grazing	2.7	3.5	29.6	34.4	34.1	-0.9
<b>SIZE OF ENTERPRISES:</b>						
Hectares - Total crops	1.8	2.5	38.9	1.1	1.0	-9.1
Av. No. - Dairy cows	110.8	112.1	1.2	-	0.1	-
Av. No. - Beef cows	2.8	2.5	-10.7	35.7	32.3	-9.5
Av. No. - Other cattle	80.1	81.8	2.1	65.0	63.5	-2.3
Av. No. - Ewes	3.6	3.1	-13.9	158.4	151.7	-4.2
Av. No. - Sows/gilts	2.5	1.2	-52.0	-	-	-
<b>CROP OUTPUT:</b>						
Cereals	1363	1639	20.2	600	375	-37.5
Potatoes	52	-	-100.0	150	267	78.0
Misc. crop output	851	224	-73.7	246	359	45.9
<b>Total Crop Production</b>	<b>2265</b>	<b>1863</b>	<b>-17.7</b>	<b>997</b>	<b>1001</b>	<b>0.4</b>
<b>Livestock Output:</b>						
Cattle – rearing & fattening	26486	27495	3.8	22083	28871	30.7
Cattle – dairy	-6082	-2122	65.1	-2	-	100.0
Milk	145754	142096	-2.5	-	-	-
Sheep and wool	245	243	-0.8	9190	10675	16.2
Pigs	3188	3082	-3.3	-	-	-
Poultry and eggs	395	383	-3.0	208	195	-6.3
Other livestock	32	-	-100.0	23	23	-
<b>TOTAL LIVESTOCK OUTPUT</b>	<b>170019</b>	<b>171177</b>	<b>0.7</b>	<b>31501</b>	<b>39763</b>	<b>26.2</b>
Single Farm Payment	17019	18932	11.2	18961	21257	12.1
LFA Compensatory scheme	219	190	-13.2	3551	3590	1.1
Agricultural Environment Schemes	1176	1076	-8.5	2719	2859	5.1
Miscellaneous Subsidies	362	80	-77.9	83	47	-43.4
Miscellaneous Revenue	896	840	-6.3	1220	1167	-4.3
On Farm - Non Farm Income	226	408	80.5	-	-	-
Adjustment for disposal of previous years crop	27	-5	-118.5	3	-	-100.0
<b>TOTAL FARM OUTPUT</b>	<b>192210</b>	<b>194561</b>	<b>1.2</b>	<b>59035</b>	<b>69683</b>	<b>18.0</b>

Purchased concentrate feed & fodder	45722	58174	27.2	8151	10705	31.3
Home grown concentrate feed	3385	3965	17.1	357	407	14.0
Veterinary fees & medicines	4543	5030	10.7	1937	2116	9.2
Other livestock costs	5726	6422	12.2	1252	1214	-3.0
Purchased & home grown seed	741	808	9.0	194	176	-9.3
Fertilisers	7072	11538	63.2	3503	4858	38.7
Other crop costs	1187	1503	26.6	463	507	9.5
Regular & casual labour	3001	4395	46.5	1140	1234	8.2
Machinery excluding depreciation	15260	18253	19.6	7403	8303	12.2
Depreciation of plant machinery & vehicles	9715	9962	2.5	6156	6101	-0.9
Depreciation of building & works	9646	12688	31.5	3455	3839	11.1
Land & building inputs	10084	11039	9.5	4256	4584	7.7
Interest payments	3945	3663	-7.1	781	740	-5.2
Other general farming costs	9553	9600	0.5	4574	4669	2.1
<b>TOTAL VARIABLE COSTS</b>	<b>77043</b>	<b>99005</b>	<b>28.5</b>	<b>18737</b>	<b>23210</b>	<b>23.9</b>
<b>TOTAL FIXED COSTS</b>	<b>52537</b>	<b>58037</b>	<b>10.5</b>	<b>24885</b>	<b>26244</b>	<b>5.5</b>
<b>TOTAL INPUTS</b>	<b>129580</b>	<b>157042</b>	<b>21.2</b>	<b>43621</b>	<b>49454</b>	<b>13.4</b>
<b>FARM BUSINESS INCOME</b>	<b>62630</b>	<b>37520</b>	<b>-40.1</b>	<b>15414</b>	<b>20229</b>	<b>31.2</b>
(plus) depreciation of buildings & works	9646	12688	31.5	3455	3839	11.1
(plus) depreciation of plant machinery & vehicles	9715	9962	2.5	6156	6101	-0.9
(minus) valuation change	6783	3237	-52.3	-460	2549	654.1
<b>(equals) CASH INCOME</b>	<b>75209</b>	<b>56933</b>	<b>-24.3</b>	<b>25486</b>	<b>27620</b>	<b>8.4</b>
(minus) Net capital investment	28652	37539	31.0	11047	16106	45.8
<b>( equals ) CASH FLOW FARM BUSINESS</b>	<b>46556</b>	<b>19394</b>	<b>-58.3</b>	<b>14439</b>	<b>11514</b>	<b>-20.3</b>
<b>AVERAGE VALUATIONS</b>	<b>131886</b>	<b>140262</b>	<b>6.4</b>	<b>69545</b>	<b>70582</b>	<b>1.5</b>

**TABLE 1.7 – ALL TYPES – 4 SIZE GROUPS  
OUTPUTS, INPUTS AND INCOMES BY TYPE OF FARMING -  
IDENTICAL SAMPLE 2007/08 AND 2008/09**

	0.5 < 1 SLR			1 < 2 SLR			2 < 3 SLR			ALL SIZES		
	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change	2007/08	2008/09	% Change
Number of farms		76			108			53			275	
Average size of business (ESUs)		18.9			39.7			74.3			50.3	
Total Area of Farm (ha)	57.1	56.5	-1.1	79.1	81.1	2.5	100.9	101.8	0.9	80.8	81.7	1.1
of which: Crops and grass	40.8	40.0	-2.0	56.6	57.1	0.9	76.4	77.9	2.0	60.8	61.0	0.3
Rough grazing	13.6	13.8	1.5	19.0	18.9	-0.5	20.8	20.0	-3.8	16.1	16.3	1.2
<b>SIZE OF ENTERPRISES:</b>												
Hectares - Total crops	2.4	2.5	4.2	4.4	5.5	25.0	8.6	8.0	-7.0	4.5	5.0	11.1
Av. no. - Dairy cows	3.4	3.4	-	20.5	20.3	-1.0	58.9	58.9	-	36.1	36.5	1.1
Av. no. - Beef cows	21.0	19.4	-7.6	21.8	19.9	-8.7	23.6	22.4	-5.1	21.4	19.7	-7.9
Av. no. - Other cattle	43.6	44.3	1.6	70.8	70.1	-1.0	84.6	87.6	3.5	71.8	72.0	0.3
Av. no. - Ewes	86.8	79.5	-8.4	91.6	89.4	-2.4	80.2	76.3	-4.9	86.0	81.3	-5.5
Av. no. - Sows/gilts	1.7	1.0	-41.2	7.1	7.2	1.4	14.9	11.8	-20.8	5.7	5.1	-10.5
<b>CROP OUTPUT:</b>												
Cereals	1684	1512	-10.2	3383	3206	-5.2	5307	4259	-19.7	3066	2919	-4.8
Potatoes	-	-	-	1694	1462	-13.7	3478	4038	16.1	2329	2787	19.7
Misc. crop output	776	705	-9.1	1192	978	-18.0	2065	2077	0.6	1289	982	-23.8
<b>Total Crop Production</b>	<b>2460</b>	<b>2217</b>	<b>-9.9</b>	<b>6260</b>	<b>5646</b>	<b>-9.8</b>	<b>10850</b>	<b>10373</b>	<b>-4.4</b>	<b>6684</b>	<b>6688</b>	<b>0.1</b>
<b>Livestock Output:</b>												
Cattle – rearing & fattening	13835	18763	35.6	23127	30794	33.2	28802	38515	33.7	23719	29604	24.8
Cattle – dairy	-6	83	1483.3	-523	-257	50.9	-2713	-2208	18.6	-1979	-690	65.1
Milk	4022	3967	-1.4	25157	23466	-6.7	69534	66147	-4.9	47417	46227	-2.5
Sheep and wool	5613	6041	7.6	5231	6019	15.1	4009	5633	40.5	5100	5868	15.1
Pigs	2368	1674	-29.3	10011	11017	10.0	14215	15301	7.6	7284	7715	5.9
Poultry and eggs	-	-	-	280	262	-6.4	1066	1033	-3.1	214	205	-4.2
Other livestock	-	3	-	38	23	-39.5	-	10	-	22	10	-54.5
<b>Total Livestock Output</b>	<b>25831</b>	<b>30531</b>	<b>18.2</b>	<b>63321</b>	<b>71325</b>	<b>12.6</b>	<b>114913</b>	<b>124431</b>	<b>8.3</b>	<b>81777</b>	<b>88938</b>	<b>8.8</b>
Single Farm Payment	11865	13267	11.8	16460	18457	12.1	22354	25044	12.0	17305	19344	11.8
LFA Compensatory scheme	1532	1532	-	1918	1877	-2.1	1548	1538	-0.6	1601	1604	0.2
Agricultural Environment Schemes	1579	1809	14.6	2005	2291	14.3	1991	2106	5.8	1818	1997	9.8
Miscellaneous Subsidies	22	28	27.3	31	107	245.2	201	174	-13.4	168	79	-53.0
Miscellaneous Revenue	1265	1136	-10.2	4096	3774	-7.9	791	665	-15.9	2178	2020	-7.3
On Farm - Non Farm Income	924	1008	9.1	-	-	-	110	274	149.1	487	581	19.3
Adjustment for disposal of previous years crop	-	40	-	112	27	-75.9	94	93	-1.1	54	37	-31.5
<b>Total Farm Output</b>	<b>45478</b>	<b>51570</b>	<b>13.4</b>	<b>94203</b>	<b>103505</b>	<b>9.9</b>	<b>152851</b>	<b>164699</b>	<b>7.8</b>	<b>112071</b>	<b>121288</b>	<b>8.2</b>

	0.5 < 1 SLR			1 < 2 SLR			2 < 3 SLR			ALL SIZES		
	2007/08 £ per farm	2007/08	% Change	2007/08 £ per farm	2007/08	% Change	2007/08 £ per farm	2007/08	% Change	2007/08 £ per farm	2007/08	% Change
<b>INPUTS</b>												
Purchased concentrate feed & fodder	8086	9082	12.3	20774	24878	19.8	31305	37162	18.7	24739	30362	22.7
Home grown concentrate feed	361	438	21.3	1338	1356	1.3	2413	2465	2.2	1606	1899	18.2
Veterinary fees & medicines	1428	1579	10.6	2441	2404	-1.5	3965	4068	2.6	2874	3087	7.4
Other livestock costs	1175	1099	-6.5	2121	2240	5.6	3122	3423	9.6	2834	3061	8.0
Purchased & home grown seed	154	233	51.3	477	562	17.8	1137	1092	-4.0	657	787	19.8
Fertilisers	2476	3494	41.1	4105	6336	54.3	6829	10727	57.1	4783	7467	56.1
Other crop costs	477	502	5.2	899	1127	25.4	1638	2252	37.5	1162	1420	22.2
Regular & casual labour	992	1153	16.2	1914	2020	5.5	3078	3512	14.1	2295	2846	24.0
Machinery excluding depreciation	5949	7076	18.9	9217	10709	16.2	13429	14961	11.4	10580	12442	17.6
Depreciation of plant machinery & vehicles	4271	4196	-1.8	8384	8757	4.4	10332	10268	-0.6	8026	8125	1.2
Depreciation of building & works	2660	2749	3.3	3942	5094	29.2	8579	10358	20.7	5411	6760	24.9
Land & building inputs	3100	3083	-0.5	5025	5688	13.2	9428	10108	7.2	6781	7326	8.0
Interest payments	614	631	2.8	1163	1119	-3.8	2701	2627	-2.7	1929	1833	-5.0
Other general farming costs	4462	4454	-0.2	6017	6304	4.8	8367	8555	2.2	6572	6677	1.6
<b>TOTAL VARIABLE COSTS</b>	<b>16467</b>	<b>19404</b>	<b>17.8</b>	<b>35775</b>	<b>43182</b>	<b>20.7</b>	<b>58125</b>	<b>69364</b>	<b>19.3</b>	<b>43777</b>	<b>54509</b>	<b>24.5</b>
<b>TOTAL FIXED COSTS</b>	<b>19738</b>	<b>20364</b>	<b>3.2</b>	<b>32041</b>	<b>35411</b>	<b>10.5</b>	<b>48198</b>	<b>52214</b>	<b>8.3</b>	<b>36473</b>	<b>39583</b>	<b>8.5</b>
<b>TOTAL INPUTS</b>	<b>36205</b>	<b>39767</b>	<b>9.8</b>	<b>67816</b>	<b>78594</b>	<b>15.9</b>	<b>106322</b>	<b>121577</b>	<b>14.3</b>	<b>80249</b>	<b>94092</b>	<b>17.3</b>
<b>FARM BUSINESS INCOME</b>	<b>9273</b>	<b>11802</b>	<b>27.3</b>	<b>26387</b>	<b>24912</b>	<b>-5.6</b>	<b>46529</b>	<b>43122</b>	<b>-7.3</b>	<b>31822</b>	<b>27195</b>	<b>-14.5</b>
(plus) depreciation of buildings & works	2660	2749	3.3	3942	5094	29.2	8579	10358	20.7	5411	6760	24.9
(plus) depreciation of plant machinery & vehicles	4271	4196	-1.8	8384	8757	4.4	10332	10268	-0.6	8026	8125	1.2
(minus) valuation change	201	1431	611.9	537	4271	695.3	6975	2134	-69.4	2576	3330	29.3
<b>(equals) CASH INCOME</b>	<b>16002</b>	<b>17317</b>	<b>8.2</b>	<b>38176</b>	<b>34492</b>	<b>-9.7</b>	<b>58465</b>	<b>61613</b>	<b>5.4</b>	<b>42683</b>	<b>38751</b>	<b>-9.2</b>
(minus) Net capital investment	5761	13640	136.8	13255	19098	44.1	27944	31252	11.8	17348	24853	43.3
<b>( equals ) CASH FLOW FARM BUSINESS</b>	<b>10241</b>	<b>3677</b>	<b>-64.1</b>	<b>24921</b>	<b>15394</b>	<b>-38.2</b>	<b>30521</b>	<b>30361</b>	<b>-0.5</b>	<b>25335</b>	<b>13897</b>	<b>-45.1</b>
<b>AVERAGE VALUATIONS</b>	<b>50023</b>	<b>50896</b>	<b>1.7</b>	<b>90810</b>	<b>95811</b>	<b>5.5</b>	<b>125718</b>	<b>131423</b>	<b>4.5</b>	<b>95515</b>	<b>100112</b>	<b>4.8</b>

**INCOMES ON CATTLE & SHEEP (LFA & LOWLAND),  
DAIRY AND ALL FARM TYPES ABOVE 1SLR IN 2007/08 AND 2008/09**

**£ PER FARM**

		<b>Farm Business Income</b>	<b>Cash Income</b>	<b>Net Farm Income</b>
<b>Dairy</b>	07/08	69,917	83,537	61,216
	08/09	41,591	62,929	34,820
<b>Cattle and Sheep (LFA)</b>	07/08	27,997	42,645	12,889
	08/09	37,936	47,970	24,612
<b>Cattle and Sheep (Lowland)</b>	07/08	23,294	38,198	12,263
	08/09	34,693	36,900	25,333
<b>All Types</b>	07/08	<b>50,077</b>	<b>64,282</b>	<b>39,630</b>
	08/09	<b>39,656</b>	<b>56,103</b>	<b>30,739</b>

## APPENDIX 2

### ASSETS AND LIABILITIES OF CEREAL FARMS, 2008/09 AVERAGE FARM SIZE 76.9 HECTARES

	Opening Valuation	£	Closing Valuation
Land and Buildings	1,735,076		1,740,774
Other fixed assets	56,911		70,017
<b>TOTAL FIXED ASSETS</b>	<b>1,791,987</b>		<b>1,810,791</b>
Trading livestock, crops & stores	25,215		21,336
Debtors and short-term lending	-		-
Cash in hand and at bank	-		-
<b>TOTAL CURRENT ASSETS</b>	<b>25,215</b>		<b>21,336</b>
<b>TOTAL ASSETS</b>	<b>1,817,202</b>		<b>1,832,127</b>
Bank & other institutional loans	1,487		995
Family & other loans	-		-
<b>TOTAL LONG-TERM LOANS</b>	<b>1,487</b>		<b>995</b>
Bank overdraft	38,595		38,686
Other short-term borrowing	2,326		6,131
<b>TOTAL SHORT-TERM LOANS</b>	<b>40,921</b>		<b>44,817</b>
<b>TOTAL EXTERNAL LIABILITIES</b>	<b>42,408</b>		<b>45,812</b>
<b>NET WORTH</b>	<b>1,774,794</b>		<b>1,786,315</b>

**ASSETS AND LIABILITIES OF GENERAL CROPPING FARMS, 2008/09**  
**AVERAGE FARM SIZE 84.8 HECTARES**

	Opening Valuation	£	Closing Valuation
Land and Buildings	820,479		824,379
Other fixed assets	96,678		85,302
<b>TOTAL FIXED ASSETS</b>	<b>917,157</b>		<b>909,681</b>
Trading livestock, crops & stores	34,384		27,580
Debtors and short-term lending	-		-
Cash in hand and at bank	-		-
<b>TOTAL CURRENT ASSETS</b>	<b>34,384</b>		<b>27,580</b>
<b>TOTAL ASSETS</b>	<b>951,541</b>		<b>937,261</b>
Bank & other institutional loans	-		-
Family & other loans	-		-
<b>TOTAL LONG-TERM LOANS</b>	<b>-</b>		<b>-</b>
Bank overdraft	28,319		21,793
Other short-term borrowing	12,973		8,114
<b>TOTAL SHORT-TERM LOANS</b>	<b>41,292</b>		<b>29,907</b>
<b>TOTAL EXTERNAL LIABILITIES</b>	<b>41,292</b>		<b>29,907</b>
<b>NET WORTH</b>	<b>910,249</b>		<b>907,354</b>

**ASSETS AND LIABILITIES OF PIGS AND POULTRY FARMS, 2008/09**  
**AVERAGE FARM SIZE 13.4 HECTARES**

	Opening Valuation	Closing Valuation
	£	
Land and Buildings	579,753	588,987
Other fixed assets	28,731	25,938
<b>TOTAL FIXED ASSETS</b>	<b>608,484</b>	<b>614,925</b>
Trading livestock, crops & stores	43,872	52,858
Debtors and short-term lending	-	-
Cash in hand and at bank	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>43,872</b>	<b>52,858</b>
<b>TOTAL ASSETS</b>	<b>652,356</b>	<b>667,783</b>
Bank & other institutional loans	-	-
Family & other loans	-	-
<b>TOTAL LONG-TERM LOANS</b>	<b>-</b>	<b>-</b>
Bank overdraft	15,280	12,733
Other short-term borrowing	8,816	6,683
<b>TOTAL SHORT-TERM LOANS</b>	<b>24,096</b>	<b>19,416</b>
<b>TOTAL EXTERNAL LIABILITIES</b>	<b>24,096</b>	<b>19,416</b>
<b>NET WORTH</b>	<b>628,260</b>	<b>648,367</b>

**ASSETS AND LIABILITIES OF DAIRY FARMS, 2008/09**  
**AVERAGE FARM SIZE 78.1 HECTARES**

	Opening Valuation	£	Closing Valuation
Land and Buildings	984,427		1,024,950
Other fixed assets	102,515		104,900
<b>TOTAL FIXED ASSETS</b>	<b>1,086,942</b>		<b>1,129,850</b>
Trading livestock, crops & stores	35,186		38,118
Debtors and short-term lending	13,746		9,455
Cash in hand and at bank	187		42
<b>TOTAL CURRENT ASSETS</b>	<b>49,119</b>		<b>47,615</b>
<b>TOTAL ASSETS</b>	<b>1,136,061</b>		<b>1,177,465</b>
Bank & other institutional loans	37,034		47,606
Family & other loans	3,563		3,406
<b>TOTAL LONG-TERM LOANS</b>	<b>40,597</b>		<b>51,012</b>
Bank overdraft	13,230		17,951
Other short-term borrowing	4,907		5,200
<b>TOTAL SHORT-TERM LOANS</b>	<b>18,137</b>		<b>23,151</b>
<b>TOTAL EXTERNAL LIABILITIES</b>	<b>58,734</b>		<b>74,163</b>
<b>NET WORTH</b>	<b>1,077,327</b>		<b>1,103,302</b>

**ASSETS AND LIABILITIES OF CATTLE AND SHEEP FARMS (LFA), 2008/09  
AVERAGE FARM SIZE 98.2 HECTARES**

	Opening Valuation	£	Closing Valuation
Land and Buildings	863,180		890,161
Other fixed assets	46,588		46,965
<b>TOTAL FIXED ASSETS</b>	<b>909,768</b>		<b>937,126</b>
Trading livestock, crops & stores	28,868		31,907
Debtors and short-term lending	-		-
Cash in hand and at bank	-		-
<b>TOTAL CURRENT ASSETS</b>	<b>28,868</b>		<b>31,907</b>
<b>TOTAL ASSETS</b>	<b>938,636</b>		<b>969,033</b>
Bank & other institutional loans	5,643		5,436
Family & other loans	46		327
<b>TOTAL LONG-TERM LOANS</b>	<b>5,689</b>		<b>5,763</b>
Bank overdraft	5,691		4,791
Other short-term borrowing	1,850		1,749
<b>TOTAL SHORT-TERM LOANS</b>	<b>7,541</b>		<b>6,540</b>
<b>TOTAL EXTERNAL LIABILITIES</b>	<b>13,230</b>		<b>12,303</b>
<b>NET WORTH</b>	<b>925,406</b>		<b>956,730</b>

**ASSETS AND LIABILITIES OF CATTLE AND SHEEP FARMS  
(LOWLAND) 2008/09  
AVERAGE FARM SIZE 62.4 HECTARES**

	Opening Valuation	£	Closing Valuation
Land and Buildings	871,279		877,635
Other fixed assets	40,739		39,299
<b>TOTAL FIXED ASSETS</b>	<b>912,018</b>		<b>916,934</b>
Trading livestock, crops & stores	42,209		51,476
Debtors and short-term lending	-		-
Cash in hand and at bank	-		-
<b>TOTAL CURRENT ASSETS</b>	<b>42,209</b>		<b>51,476</b>
<b>TOTAL ASSETS</b>	<b>954,227</b>		<b>968,410</b>
Bank & other institutional loans	9,750		7,639
Family & other loans	-		-
<b>TOTAL LONG-TERM LOANS</b>	<b>9,750</b>		<b>7,639</b>
Bank overdraft	2,876		4,362
Other short-term borrowing	806		1,404
<b>TOTAL SHORT-TERM LOANS</b>	<b>3,682</b>		<b>5,766</b>
<b>TOTAL EXTERNAL LIABILITIES</b>	<b>13,432</b>		<b>13,405</b>
<b>NET WORTH</b>	<b>940,795</b>		<b>955,005</b>

**ASSETS AND LIABILITIES OF MIXED FARMS, 2008/09**  
**AVERAGE FARM SIZE 72.8 HECTARES**

	Opening Valuation	£	Closing Valuation
Land and Buildings	1,232,251		1,244,031
Other fixed assets	74,490		78,335
<b>TOTAL FIXED ASSETS</b>	<b>1,306,741</b>		<b>1,322,366</b>
Trading livestock, crops & stores	64,943		66,150
Debtors and short-term lending	-		-
Cash in hand and at bank	-		-
<b>TOTAL CURRENT ASSETS</b>	<b>64,943</b>		<b>66,150</b>
<b>TOTAL ASSETS</b>	<b>1,371,684</b>		<b>1,388,516</b>
Bank & other institutional loans	334		167
Family & other loans	-		-
<b>TOTAL LONG-TERM LOANS</b>	<b>334</b>		<b>167</b>
Bank overdraft	7,752		9,029
Other short-term borrowing	13,986		10,832
<b>TOTAL SHORT-TERM LOANS</b>	<b>21,738</b>		<b>19,861</b>
<b>TOTAL EXTERNAL LIABILITIES</b>	<b>22,072</b>		<b>20,028</b>
<b>NET WORTH</b>	<b>1,349,612</b>		<b>1,368,488</b>

**ASSETS AND LIABILITIES OF ALL TYPES, 2008/09**  
**AVERAGE FARM SIZE 81.7 HECTARES**

	Opening Valuation	£	Closing Valuation
Land and Buildings	931,527		957,846
Other fixed assets	65,727		66,695
<b>TOTAL FIXED ASSETS</b>	<b>997,254</b>		<b>1,024,541</b>
Trading livestock, crops & stores	35,403		39,154
Debtors and short-term lending	4,472		3,076
Cash in hand and at bank	61		14
<b>TOTAL CURRENT ASSETS</b>	<b>39,936</b>		<b>42,244</b>
<b>TOTAL ASSETS</b>	<b>1,037,190</b>		<b>1,066,785</b>
Bank & other institutional loans	15,823		18,854
Family & other loans	1,178		1,242
<b>TOTAL LONG-TERM LOANS</b>	<b>17,001</b>		<b>20,096</b>
Bank overdraft	9,016		10,318
Other short-term borrowing	3,748		3,654
<b>TOTAL SHORT-TERM LOANS</b>	<b>12,764</b>		<b>13,972</b>
<b>TOTAL EXTERNAL LIABILITIES</b>	<b>29,765</b>		<b>34,068</b>
<b>NET WORTH</b>	<b>1,007,425</b>		<b>1,032,717</b>

## APPENDIX 3

### ENTERPRISE GROSS MARGIN RESULTS CLASSIFIED INTO FOUR PERFORMANCE CATEGORIES

This Appendix contains the 2008/09 gross margin results, presented in 4 performance categories, for each of the main farm enterprises found on farms in the Farm Business Survey (FBS). The results are presented in this way so that farmers in Northern Ireland may assess the level of performance achieved in their main farming activities. Comparisons between the FBS results and individual farm results will quickly establish the level of performance achieved and the scope, if any, for improvements.

The 4 performance categories are 'excellent', 'good', 'moderate' and 'poor'. The good and moderate categories comprise all those farms in the FBS with gross margins which are within one standard deviation above and below the mean result respectively. Those farms with performances which fall within the range 1 and 2 standard deviations, above and below the mean performance respectively, comprise the excellent and poor categories. When there is a normal distribution of results, the excellent category includes approximately 15% of the farms, good 33%, moderate 33% and poor 15%. Approximately 5% of the farms in the sample are excluded, that is the 2.5% of results which are beyond 2 standard deviations on either side of the mean result.

The results for each enterprise have been allocated to the 4 performance categories on the basis of either their gross margin per head or per hectare. Because of the importance of dairy farming in Northern Ireland, the dairy herd gross margins are classified on both basis. This will enable farmers who consider land to be their main limiting resource to assess their own results using the classification of herds by gross margin per hectare, while for those where this is not the case may use the per cow classification. The basis of classification used for each enterprise is given on each table. It should be noted that the comparisons will be most meaningful for farm accounts with year ending dates between January and June 2009.

## DAIRY COWS (CLASSIFIED BY GROSS MARGIN PER COW) 2008/09

	Excellent	Good	Moderate	Poor	Average
% of survey farms	11	33	44	12	100
Average herd size	86	73	76	69	75
<b>ENTERPRISE OUTPUT</b>	<b>£ per cow</b>				
Milk	1612	1409	1210	1019	1306
Calves	74	74	69	60	70
Herd replacement	-69	-79	-112	-157	-101
Leasing receipts	-	-	-	-	-
<b>TOTAL ENTERPRISE OUTPUT</b>	1617	1404	1167	922	1275
<b>Variable Costs</b>					
Concentrates	404	387	386	342	384
Hay, silage, forage & grazing	137	143	138	146	140
Vet, medicines & sundries	85	89	86	85	87
Leasing costs	-	-	-	-	-
<b>TOTAL VARIABLE COSTS</b>	626	619	610	573	611
<b>GROSS MARGIN</b>					
- per cow	991	785	557	349	664
- per hectare	1963	1523	1131	666	1315
- per 1000 litres	141	126	101	72	113
Milk yield per cow (litres)	7017	6208	5526	4875	5871
Milk price per litre (pence)	23.0	22.7	21.9	20.9	22.2
Concentrates per litre (kg)	0.27	0.30	0.33	0.32	0.31
Concentrates price per tonne (£)	205	204	205	213	205
Stocking rate (ce per ha)	1.98	1.94	2.03	1.91	1.98
Nitrogen per hectare (kg)	146	138	140	128	139

## DAIRY COWS (CLASSIFIED BY GROSS MARGIN PER HECTARE) 2008/09

	Excellent	Good	Moderate	Poor	Average
% of survey farms	17	35	33	15	100
Average herd size	93	77	71	55	74
<b>ENTERPRISE OUTPUT</b>	<b>£ per cow</b>				
Milk	1524	1332	1224	1105	1313
Calves	72	72	71	59	71
Herd replacement	-70	-92	-118	-137	-101
Leasing receipts	-	-	-	-	-
<b>TOTAL ENTERPRISE OUTPUT</b>	1526	1312	1177	1027	1283
<b>Variable Costs</b>					
Concentrates	401	381	384	380	386
Hay, silage, forage & grazing	142	135	145	137	140
Vet, medicines & sundries	82	90	85	96	87
Leasing Costs	-	-	-	-	-
<b>TOTAL VARIABLE COSTS</b>	625	606	614	613	613
<b>GROSS MARGIN</b>					
- per cow	901	706	563	414	670
- per hectare	2072	1497	1064	633	1333
- per 1000 litres	137	119	100	81	114
Milk yield per cow (litres)	6591	5939	5646	5133	5894
Milk price per litre (pence)	23.1	22.4	21.7	21.5	22.3
Concentrates per litre (kg)	0.28	0.31	0.32	0.33	0.31
Concentrates price per tonne (£)	207	199	208	217	206
Stocking rate (ce per ha)	2.30	2.12	1.89	1.53	1.99
Nitrogen used per hectare (kg)	171	149	135	90	139

**DAIRY CALVES REARED AS REPLACEMENTS, 2008/09**  
**(CLASSIFIED BY GROSS MARGIN PER HECTARE)**

	<b>Excellent</b>	<b>Good</b>	<b>Moderate</b>	<b>Poor</b>	<b>Average</b>
% of survey farms	16	29	45	10	100
<b>ENTERPRISE OUTPUT</b>	1538	1037	861	851	1012
<b>Variable Costs</b>					
Concentrates*	272	244	388	620	358
Hay, silage, forage and grazing	314	295	326	475	332
Vet and medicines	41	31	46	76	44
Sundries	30	26	26	34	28
<b>TOTAL VARIABLE COSTS</b>	657	596	786	1205	762
<b>GROSS MARGIN</b>	881	441	75	-354	250
Concentrates per ce (kg)	474	399	711	863	605
Concentrates price per tonne (£)	222	211	204	230	212
Stocking rate (ce per ha)	2.26	2.20	2.01	2.25	2.13
Price per calf bought/transferred in (£)	94	91	99	91	95
Price per heifer sold/transferred out (£)	1032	817	728	870	817
Mortality %	2.9	0.9	2.3	4.1	2.3

\* Includes milk fed to calves

**SUCKLER COWS - SEVERELY DISADVANTAGED AREA, 2008/09  
(CLASSIFIED BY GROSS MARGIN PER COW)**

	<b>Excellent</b>	<b>Good</b>	<b>Moderate</b>	<b>Poor</b>	<b>Average</b>
% of survey farms	8	43	38	11	100
Number of cows per farm	50	41	39	42	41
<b>ENTERPRISE OUTPUT</b>			<b>£ per cow</b>		
Calves	437	345	313	228	330
Herd Replacement	-9	-39	-64	-85	-50
<b>TOTAL ENTERPRISE OUTPUT</b>	428	306	249	143	280
<b>Variable Costs</b>					
Concentrates	50	32	47	39	40
Hay, silage, forage and grazing	103	92	109	109	101
Vet and medicines	24	20	27	17	23
Sundries	11	16	15	15	15
<b>TOTAL VARIABLE COSTS</b>	188	160	198	180	179
<b>GROSS MARGIN</b>	240	146	51	-37	101
<b>GROSS MARGIN PER COW EQUIVALENT</b>	216	134	48	-35	94
Calves reared per cow	1.00	0.96	0.87	0.69	0.90
Price per calf sold or transferred-out (£)	392	352	358	322	356
Mortality - birth to weaning (%)	5.1	1.6	4.6	0.8	3.0
Concentrates per cow (kg)	315	156	256	214	215
Concentrates price per tonne (£)	157	183	183	181	179

\* LFA compensatory allowances are excluded from this analysis

**SUCKLER COWS - DISADVANTAGED AREA, 2008/09  
(CLASSIFIED BY GROSS MARGIN PER HECTARE)**

	<b>Excellent</b>	<b>Good</b>	<b>Moderate</b>	<b>Poor</b>	<b>Average</b>
% of survey farms	15	35	35	15	100
Number of cows per farm	70	59	30	27	46
<b>ENTERPRISE OUTPUT</b>	<b>£ per cow</b>				
Calves	388	343	313	320	345
Herd replacement	-18	-35	-69	-80	-43
<b>TOTAL ENTERPRISE OUTPUT</b>	<b>370</b>	<b>308</b>	<b>244</b>	<b>240</b>	<b>302</b>
<b>Variable Costs</b>					
Concentrates	32	24	39	46	31
Hay, silage, forage and grazing	70	87	100	116	89
Vet and medicines	15	21	23	29	21
Sundries	20	16	16	38	19
<b>TOTAL VARIABLE COSTS</b>	<b>137</b>	<b>148</b>	<b>178</b>	<b>229</b>	<b>160</b>
<b>GROSS MARGIN</b>	<b>233</b>	<b>160</b>	<b>66</b>	<b>11</b>	<b>142</b>
<b>GROSS MARGIN PER COW EQUIVALENT</b>	<b>225</b>	<b>153</b>	<b>63</b>	<b>10</b>	<b>135</b>
Calves reared per cow	0.91	0.89	0.85	0.90	0.89
Price per calf sold or transferred out (£)	380	353	353	333	358
Mortality - birth to weaning (%)	1.5	2.6	3.3	4.0	2.7
Concentrates per cow (kg)	209	131	240	236	184
Price of concentrates per tonne (£)	153	182	154	193	167

\* LFA compensatory allowances are excluded from this analysis

**BREEDING EWES - SEVERELY DISADVANTAGED AREA  
(CROSS BRED FLOCKS), 2008/09  
(CLASSIFIED BY GROSS MARGIN PER EWE)**

	<b>Excellent</b>	<b>Good</b>	<b>Moderate</b>	<b>Poor</b>	<b>Average</b>
% of survey farms	11	42	26	21	100
Number of ewes per farm	110	149	268	260	199
<b>ENTERPRISE OUTPUT</b>					
	<b>£ per ewe</b>				
Lambs	93	86	59	65	71
Wool	2	1	1	1	1
Flock replacement	-1	-13	-7	-4	-8
<b>TOTAL ENTERPRISE OUTPUT</b>	94	74	53	62	64
<b>Variable Costs</b>					
Concentrates	10	13	11	21	14
Hay, silage, forage and grazing	20	13	12	23	16
Vet, medicines and sundries	7	10	11	11	10
<b>TOTAL VARIABLE COSTS</b>	37	36	34	55	40
<b>GROSS MARGIN</b>	57	38	19	7	24
Price per lamb sold (£)	62	58	51	56	56
Lambing percentage	166	154	129	143	143
Lambs reared per 100 ewes	158	145	121	134	134
Wool per ewe (kg)	3.3	3.2	2.5	3.0	2.9
Wool per kg (p)	48	46	42	38	42
Concentrates per ewe (kg)	51	67	55	101	72
Concentrates price per tonne (£)	188	195	204	190	195
Mortality - ewes (%)	5.0	5.1	5.9	5.4	5.5
Mortality - lambs per 100 ewes	7.8	9.7	8.4	8.6	8.8

\* LFA compensatory allowances are excluded from this analysis

**BREEDING EWES - SEVERELY DISADVANTAGED AREA  
(HARDY HILL BREEDS), 2008/09  
(CLASSIFIED BY GROSS MARGIN PER EWE)**

	<b>Excellent</b>	<b>Good</b>	<b>Moderate</b>	<b>Poor</b>	<b>Average</b>
% of survey farms	14	46	29	11	100
Number of ewes per farm	366	322	279	443	329
<b>ENTERPRISE OUTPUT</b>			<b>£ per ewe</b>		
Lambs	48	53	35	21	43
Wool	1	1	1	1	1
Flock replacement	2	-2	2	2	-
<b>TOTAL ENTERPRISE OUTPUT</b>	51	52	38	24	44
<b>Variable Costs</b>					
Concentrates	8	14	14	6	12
Hay, silage, forage and grazing	10	14	11	17	13
Vet, medicines and sundries	8	8	8	8	8
Leasing costs					
<b>TOTAL VARIABLE COSTS</b>	26	36	33	31	33
<b>GROSS MARGIN</b>	25	16	5	-7	11
Price per lamb sold (£)	51	51	46	42	49
Lambing percentage	130	129	110	94	120
Lambs reared per 100 ewes	118	121	102	81	110
Wool per ewe (kg)	2.8	2.6	2.0	2.6	2.5
Wool per kg (p)	45	42	52	41	44
Concentrates per ewe (kg)	40	72	70	29	60
Concentrates price per tonne (£)	196	188	199	209	194
Mortality - ewes %	12.4	5.6	7.3	11.1	7.9
Mortality - lambs %	11.8	8.4	8.8	13.2	9.7

\* **LFA compensatory allowances are excluded from this analysis**

**BREEDING EWES - DISADVANTAGED AREA, 2008/09  
(CLASSIFIED BY GROSS MARGIN PER HECTARE)**

	<b>Excellent</b>	<b>Good</b>	<b>Moderate</b>	<b>Poor</b>	<b>Average</b>
% of survey farms	12	32	44	12	100
Number of ewes per farm	298	108	139	56	138
<b>ENTERPRISE OUTPUT</b>					
	<b>£ per Ewe</b>				
Lambs	101	87	81	63	87
Wool	1	1	1	1	1
Flock replacement	-8	-7	-4	-12	-6
<b>TOTAL ENTERPRISE OUTPUT</b>	<b>94</b>	<b>81</b>	<b>78</b>	<b>52</b>	<b>82</b>
<b>Variable Costs</b>					
Concentrates	10	9	16	15	13
Hay, silage, forage and grazing	13	18	16	15	16
Vet, medicines and sundries	7	7	8	8	8
<b>TOTAL VARIABLE COSTS</b>	<b>30</b>	<b>34</b>	<b>40</b>	<b>38</b>	<b>37</b>
<b>GROSS MARGIN</b>	<b>64</b>	<b>47</b>	<b>38</b>	<b>14</b>	<b>45</b>
Price per lamb sold (£)	62	60	60	60	60
Lambing percentage	166	159	150	130	156
Lambs reared per 100 ewes	160	148	144	118	148
Wool per ewe (kg)	2.5	2.9	2.7	3.0	2.7
Wool per kg (p)	56	50	48	46	50
Concentrates per ewe (kg)	50	47	80	76	64
Concentrates price per tonne (£)	192	194	201	196	198
Ewes per hectare	10.27	8.39	6.56	5.44	7.61
Stocking rate (ce per ha)	1.91	1.73	1.37	1.23	1.55
Mortality - ewes %	1.5	6.0	4.2	8.3	4.2
Mortality - lambs per 100 ewes	6.4	11.0	6.5	11.3	7.8

\* LFA compensatory allowances are excluded from this analysis

**BREEDING EWES - NON LFA, 2008/09**  
**(CLASSIFIED BY GROSS MARGIN PER HECTARE)**

	<b>Excellent</b>	<b>Good</b>	<b>Moderate</b>	<b>Poor</b>	<b>Average</b>
% of survey farms	21	29	33	17	100
Number of ewes per farm	237	194	137	116	171
<b>ENTERPRISE OUTPUT</b>	<b>£ per ewe</b>				
Lambs	86	93	80	64	84
Wool	2	2	2	2	2
Flock replacement	-3	-2	-4	-8	-4
<b>TOTAL ENTERPRISE OUTPUT</b>	<b>85</b>	<b>93</b>	<b>78</b>	<b>58</b>	<b>82</b>
<b>Variable Costs</b>					
Concentrates	11	7	12	33	12
Hay, silage, forage and grazing	13	16	14	5	13
Vet, medicines and sundries	10	10	9	6	9
<b>TOTAL VARIABLE COSTS</b>	<b>34</b>	<b>33</b>	<b>35</b>	<b>44</b>	<b>34</b>
<b>GROSS MARGIN</b>	<b>51</b>	<b>60</b>	<b>43</b>	<b>14</b>	<b>48</b>
<b>Gross Margin ( per hectare )</b>	<b>622</b>	<b>497</b>	<b>274</b>	<b>128</b>	<b>405</b>
Price per lamb sold (£)	62	59	60	58	60
Lambing percentage	156	164	151	99	151
Lambs reared per 100 ewes	150	153	142	83	141
Wool per ewe (kg)	4.0	3.5	3.7	3.3	3.7
Wool per kg (p)	43	59	46	46	49
Concentrates per ewe (kg)	63	33	66	162	65
Concentrates price per tonne (£)	181	202	182	202	191
Ewes per hectare	12.43	8.34	6.60	9.35	8.66
Stocking rate (ce per ha)	2.40	1.56	1.40	2.05	1.73
Mortality - ewes %	3.6	3.6	5.4	11.2	5.0
Mortality - lambs per 100 ewes	6.3	10.8	9.3	16.0	9.7

**PIGS - BIRTH TO BACON, 2008/09**  
**(CLASSIFIED BY GROSS MARGIN PER FINISHED PIG)**

	<b>Above</b>	<b>Below</b>	<b>Average</b>
% of survey farms	50	50	100
Number of pigs finished per farm	2238	1570	1904
Number of sows per farm	112	86	99
	<b>£ per pig</b>		
<b>ENTERPRISE OUTPUT</b>	90	92	91
<b>Variable Costs</b>			
Feedingstuffs	61	71	65
Vet. and medicines	3	2	2
Sundries	3	2	3
<b>TOTAL VARIABLE COSTS</b>	67	75	70
<b>GROSS MARGIN</b>	23	17	21
Price of meal equivalent per tonne (£)	210	227	217
Meal equivalent per finished pig (kg)	290	313	300
Litters per sow per year	1.9	1.9	1.9
Live births per litter	11.3	10.6	11.0
Pigs weaned per litter	10.5	9.7	10.2
Pigs weaned per sow per year	20.5	18.2	19.5
Price of finished pig sold (£)	90.43	91.59	90.91
Mortality - suckers %	8.4	8.6	8.5
Mortality - weaners %	2.7	3.0	2.9

## SPRING BARLEY (2008 CROP)

	Excellent	Good	Moderate	Poor	Average
% of survey farms	15	42	31	12	100
Hectares per farm	13.0	14.2	15.0	21.9	15.2
<b>ENTERPRISE OUTPUT</b>		<b>£ per hectare</b>			
Grain	701	610	506	404	552
Straw	162	141	132	117	136
<b>TOTAL ENTERPRISE OUTPUT</b>	863	751	638	521	688
<b>Variable Costs</b>					
Seed	67	64	68	62	65
Fertilisers	127	139	147	160	144
Sprays	75	74	70	81	74
Sundries	14	19	20	18	19
<b>TOTAL VARIABLE COSTS</b>	283	296	305	321	302
<b>GROSS MARGIN</b>	580	455	333	200	386
Grain (tonnes per ha)	5.77	5.27	4.19	3.32	4.65
Straw (tonnes per ha)	3.26	2.93	2.14	2.22	2.60
Fertilisers used per hectare (kg)	509	454	493	538	488
Grain per tonne (£)	121	116	121	122	119
Straw per tonne (£)	50	48	61	53	52

## WINTER BARLEY (2008 CROP)

	Above Average	Below Average	Average
% of survey farms	41	59	100
Hectares per farm	14.4	14.4	14.4
<b>Enterprise Output</b>		<b>£ per hectare</b>	
Grain	1056	891	959
Straw	251	159	197
<b>TOTAL ENTERPRISE OUTPUT</b>	<b>1307</b>	<b>1050</b>	<b>1156</b>
<b>Variable Costs</b>			
Seed	62	62	62
Fertilisers	172	202	189
Sprays	99	126	115
Sundries	7	41	27
<b>TOTAL VARIABLE COSTS</b>	<b>340</b>	<b>431</b>	<b>393</b>
<b>GROSS MARGIN</b>	<b>967</b>	<b>619</b>	<b>763</b>
Grain (tonnes per ha)	7.85	7.11	7.41
Straw (tonnes per ha)	5.19	3.73	4.33
Fertilisers used per hectare (kg)	684	843	777
Grain per tonne (£)	135	125	129
Straw per tonne (£)	48	43	45

## WINTER WHEAT (2008 CROP)

	Above Average	Below Average	Average
% of survey farms	44	56	100
Hectares per farm	13.0	21.8	17.9
<b>ENTERPRISE OUTPUT</b>		<b>£ per hectare</b>	
Grain	1269	901	1017
Straw	157	154	155
<b>TOTAL ENTERPRISE OUTPUT</b>	1426	1055	1172
<b>Variable Costs</b>			
Seed	65	70	69
Fertilisers	184	183	184
Sprays	163	137	145
Sundries	92	50	63
<b>TOTAL VARIABLE COSTS</b>	504	440	461
<b>GROSS MARGIN</b>	922	615	711
Grain (tonnes per ha)	9.74	7.73	8.37
Straw (tonnes per ha)	3.73	3.34	3.46
Fertilisers used per hectare (kg)	881	819	839
Grain per tonne (£)	130	116	122
Straw per tonne (£)	42	46	45

## WARE POTATOES (2008 CROP)

	Above Average	Below Average	Average
% of survey farms	50	50	100
Hectares per farm	17.0	14.5	15.7
<b>ENTERPRISE OUTPUT</b>		<b>£ per hectare</b>	
Current Crop	6345	4078	5301
<b>Variable Costs</b>			
Seed	431	481	454
Fertilisers	459	413	438
Sprays	304	318	311
Contract/Casual Wages	304	206	259
Sundries	239	128	188
<b>TOTAL VARIABLE COSTS</b>	1737	1546	1650
<b>GROSS MARGIN</b>	4608	2532	3651
Yield of ware per hectare (tonnes)	27	32	29
Seed used per hectare (tonnes)	2.47	2.71	2.58
Fertiliser used per hectare (kg)	1260	1156	1212
Price per tonne sold (£)	226	123	175

## DEFINITIONS OF TERMS USED

### Farm Business Size

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

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

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

### Farm Business Type

The system of classifying farms according to farm type is set out in Commission Decision 85/377/EEC. This specifies 72 EC types which are determined according to the distribution of SGM among enterprises. Not all of these types are applicable in Northern Ireland.

Until 1993 each UK country used combinations of EC types to reflect its own circumstances. However, with the introduction in 1993 of revised SGMs, the opportunity was taken to standardise the system throughout the UK. Consequently the EC types were grouped into 9 robust types which have particular relevance to UK conditions. These are:

<b>Cereals</b>	-	More than two thirds of total SGM from cereals, oilseeds, peas and beans harvested dry and set-aside.
<b>General Cropping</b>	-	Farms which do not qualify as Cereals farms but have more than two thirds of total SGM from arable crops (including field scale vegetables) or in a mixture of arable and horticultural crops.
<b>Horticulture</b>	-	More than two thirds of total SGM from fruit, hardy nursery stock, glasshouse flowers and vegetables, market garden scale vegetables and outdoor bulbs and flowers.

<b>Pigs and Poultry</b>	-	More than two thirds of total SGM from pigs and/or poultry.
<b>Dairy</b>	-	More than two thirds of total SGM from dairying including associated young stock.
<b>Cattle and Sheep</b>	-	Farms which do not qualify as Dairy farms but have more than two thirds of total SGM from cattle and sheep. They are further sub divided into farms where more than half of the land farmed is in Less Favoured Areas (LFA) and Lowland (those which have less than 50% of land in the LFA) categories.
<b>Mixed</b>	-	Crops account for one third, but less than two thirds of total SGM and livestock account for one third, but less than two thirds of total SGM.
<b>Other</b>	-	Farms which specialise in enterprises which do not fit in well with mainstream agriculture, eg specialists in mushrooms, goats, horses.

**Weighted sample averages** are calculated for each type of farm by weighting the sample data within each size group according to the distribution of farm businesses by size in the June 2008 Agricultural Census. Data, where given, for individual size groups within farm types are simple sample averages.

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

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

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

**Direct Subsidy receipts** includes: Less Favoured Area Compensatory Allowance, Single Farm Payment, Agri-environmental payments, Rural Development payments and BSE related receipts.

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

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

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

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

**Fertilisers:** Expenditure on fertilisers and lime.

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

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

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

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

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

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

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

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

**Net Farm Income** is the total gross margin less fixed costs including notional labour costs and a notional rent but excluding interest paid and ownership expenses. It

represents the reward to the farmer and spouse for their manual labour and management and their return on tenant-type capital invested in the farm.

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

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

**Cash income** is receipts less expenditure.

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

### **Valuations**

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

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

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

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

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

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

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

## OTHER PUBLICATIONS FROM THE POLICY AND ECONOMICS DIVISION

Economics and Statistics Unit produce a range of publications and statistical series, which are now available free of charge on the DARD website at [www.dardni.gov.uk](http://www.dardni.gov.uk). The following publications are also available in hard copy on request using the order form below. The year of issue is given in brackets.

EU Structure Survey 2007 Northern Ireland: Report on the agricultural labour force, farm diversification, use of contractors (2008) £10.00

The Agricultural Census in Northern Ireland: Results for June 2009 (2010) £10.00

Farm Business Data 2010. (2010) £7.50

Statistical Review of Northern Ireland Agriculture 2009 (2010) £16.00

### Statistical series (prices in brackets are for e-mail delivery)

Agricultural Market Report, Weekly and Quarterly. (Continuous) £50.00 (£36.00) and £19.50 (£18.00) per annum respectively

Animal Feedstuffs Statistics, Monthly, Quarterly and Annual. (Continuous) £35.00 (£30.00), £19.50 (£18.00) and £12.00 (£12.00) per annum respectively

Fertiliser Statistics, Quarterly and Annual. (Continuous) £19.50 (£18.00) and £12.00 (£12.00) per annum respectively

Milk Utilisation Statistics, Monthly and Annual. (Continuous) £35.00 (£30.00) and £12.00 (£12.00) per annum respectively

Pig Financial Results, Monthly. (Continuous) £23.00 (£20.00) per annum

---

## Order form for hard copies

Please forward ☐ copy/copies of the following publication/s \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

To the address below:

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Telephone \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Return order form to: Department of Agriculture and Rural Development, Room 656, Dundonald House, Upper Newtownards Road, BELFAST BT4 3SB Tel: (028) 90 524594 Fax: (028) 90 524676

Policy and Economics Division  
Department of Agriculture  
and Rural Development  
Dundonald House  
BELFAST BT4 3SB



**ISBN 978-1-84807-155-1**

**DMS 09.10.208**