

Business Pointers 2012

Business costings of English cattle
and sheep enterprises for the
year ending 31st March 2012



Better Returns
Programme



Better Returns
Programme



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Monitoring your business in an environment of rising prices

This is the tenth year that EBLEX has published its annual Business Pointers report.

Business Pointers aims to be a useful reference document, enabling you to compare your own beef or sheep farming enterprise costs to others in the sector. It will help you highlight areas of your business that are performing well and those where there is scope to improve net margins.

EBLEX is in the process of establishing an in-house benchmarking system called Stocktake, which will be launched next year and will use actual farm data from a range of farms and enterprises. During the interim period, while a body of robust data is established for the new system, estimations have been calculated from market intelligence information regarding input cost changes together with store and finished animal prices and weights for the 12 months to 31 March 2012, cross checked with available on-farm data.

Better lamb and wool prices meant sheep flocks have experienced improved output. Suckler cow herds and finished cattle enterprises have also seen outputs increase as a result of improved prices.

Results for the average performing enterprises continue to be mixed. All cattle enterprises and sheep flocks are estimated to return improved margins excluding non-cash costs compared to the previous year and all except suckler herds are expected to be positive. Only top third suckler herds are estimated to return positive margins.

The latest beef and sheep estimated figures reveal increased input costs are set against improved outputs across every type of enterprise. For beef finishing systems improved margins have been helped by lower store purchase prices.

Analysis of enterprise costs shows that top third producers in all beef and sheep enterprises spend significantly less on fixed costs than average performing enterprises, indicating this should be a key area of focus for producers seeking to improve their net margins.

Once again we have published an estimate of pence per kg costs for the financial year to date, April to August 2012, alongside the figures for the 2011/12 year.

Producers wanting to examine the impact of rising input costs and physical performance on their farm enterprise can log on to the interactive EBLEX What If? calculator - available at www.eblex.org.uk/businesspointers

We hope you find this final edition of Business Pointers useful and look forward to providing you with an even more accurate picture of enterprise costs of production and margins with the launch of Stocktake next year.

A handwritten signature in blue ink, appearing to read 'John Cross'. The signature is fluid and cursive, written over a white background.

John Cross
EBLEX Chairman

Lowland Suckler Herds

Total costs £149 per cow
lower in top third herds

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Financial performance 2011/12 (£ per cow)

	Average	Top Third
Number in sample	60	20
Average herd size (head)	76	108
OUTPUT		
Calf output after valuation changes	432.28	459.64
VARIABLE AND REPLACEMENT COSTS		
Replacement costs	37.04	20.00
Variable costs		
<i>Total concentrates</i>	<i>34.60</i>	<i>35.49</i>
<i>Other feeds</i>	<i>21.91</i>	<i>32.11</i>
<i>Forage</i>	<i>40.55</i>	<i>29.84</i>
Total feed and forage	97.07	97.44
Veterinary	26.85	21.87
Bedding	32.59	23.40
Other costs	12.15	7.59
Total variable and replacement costs	205.70	170.30
Gross margin	226.68	289.34
FIXED COSTS		
Paid labour	77.85	70.31
Power and machinery repairs	72.67	41.82
Contractor charges	24.22	16.48
Administration	32.30	19.80
Property charges	31.23	24.40
Land resource costs (eg land rent)	38.15	24.64
Machinery depreciation and fixtures	47.22	28.08
Total fixed costs excluding non-cash costs	324.13	225.52
Net margin excluding non-cash costs	-97.45	63.81
NON-CASH COSTS		
Unpaid family labour	103.63	86.69
Rental value of owned land	34.16	38.89
Interest on working capital	37.51	34.66
Total non-cash costs	175.30	160.24
Total costs	705.13	556.06
Net margin including non-cash costs	-272.75	-96.42

Average 2011/12 compared with 2010/11

Output	↑
Feed and forage costs	↑
Bedding	-
Fixed Costs	↑
Net margin excluding non-cash costs	↑

Physical performance

	Average	Top Third
Barren cows per 100 cows	6.5	6.3
Calves born alive per 100 cows	88.8	88.6
Calves died per 100 cows	2.8	1.7
Calves reared per 100 cows	85.9	87.0
Calving period (weeks)	20	19
Return per calf (£ per head)	493	527
Calf price (£ per kg lw)	1.77	1.83
Weight per calf (kg)	279	287
Daily liveweight gain (kg)	1.04	1.05
Purchased concentrates (kg)	131	153
Home grown concentrates (kg)	36	18
Total Concentrates (kg)	168	172
N Fertiliser use (kg per ha)	41	42
Stocking rate (LSU per ha)	1.3	0.9

Lowland sucklers

Costs per kg liveweight

	2010/11 £/kg	2011/12 £/kg	2012 April to Aug £/kg
Total feed and forage costs	0.35	0.40	0.41
Total variable and replacement costs	0.81	0.86	0.85
Paid labour costs	0.32	0.32	0.32
Power and machinery costs	0.27	0.30	0.31
Total fixed costs	1.30	1.35	1.36
Total non-cash costs	0.73	0.73	0.73
Total costs	2.84	2.94	2.95

Less Favoured Area Suckler Herds

Total costs £195 per cow lower
in top third herds

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Financial performance 2011/12 (£ per cow)

	Average	Top Third
Number in sample	60	20
Average herd size (head)	77	91
OUTPUT		
Calf output after valuation changes	588.23	548.64
VARIABLE AND REPLACEMENT COSTS		
Replacement costs	63.53	54.38
Variable costs		
<i>Total concentrates</i>	<i>35.15</i>	<i>15.96</i>
<i>Other feeds</i>	<i>34.60</i>	<i>34.03</i>
<i>Forage</i>	<i>56.60</i>	<i>47.34</i>
Total feed and forage	126.35	97.33
Veterinary	31.69	25.47
Bedding	23.70	11.07
Other costs	10.74	10.19
Total variable and replacement costs	256.01	198.43
Gross margin	332.22	350.21
FIXED COSTS		
Paid labour	61.61	34.85
Power and machinery repairs	85.10	73.09
Contractor charges	45.36	30.91
Administration	41.68	33.43
Property charges	42.31	34.33
Land resource costs (eg land rent)	55.44	46.34
Machinery depreciation and fixtures	57.68	51.34
Total fixed costs excluding non-cash costs	389.17	304.30
Net margin excluding non-cash costs	-56.96	45.91
NON-CASH COSTS		
Unpaid family labour	148.83	120.00
Rental value of owned land	31.50	9.89
Interest on working capital	39.89	36.90
Total non-cash costs	220.22	166.79
Total costs	865.41	669.52
Net margin including non-cash costs	-277.18	-120.88

Average 2011/12 compared with 2010/11

Output	↑
Feed and forage costs	↑
Bedding	-
Fixed Costs	↑
Net margin excluding non-cash costs	↑

Physical performance

	Average	Top Third
Barren cows per 100 cows	6.4	6.6
Calves born alive per 100 cows	94.8	99.5
Calves died per 100 cows	2.4	1.6
Calves reared per 100 cows	92.4	97.8
Calving period (weeks)	22	17
Return per calf (£ per head)	632	590
Calf price (£ per kg lw)	2.11	2.17
Weight per calf (kg)	300	272
Daily liveweight gain (kg)	1.05	1.07
Purchased concentrates (kg)	141	74
Home grown concentrates (kg)	52	6
Total Concentrates (kg)	193	80
N Fertiliser use (kg per ha)	48	56
Stocking rate (LSU per ha)	0.7	1.1

LFA Sucklers

Costs per kg liveweight

	2010/11 £/kg	2011/12 £/kg	2012 April to Aug £/kg
Total feed and forage costs	0.40	0.46	0.46
Total variable and replacement costs	0.87	0.93	0.92
Paid labour costs	0.22	0.22	0.22
Power and machinery costs	0.28	0.31	0.31
Total fixed costs	1.35	1.41	1.42
Total non-cash costs	0.80	0.80	0.80
Total costs	3.01	3.13	3.14

Combined Rearer/Finisher Herds

Control of costs leads to top third having over £200 better margin

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Financial performance 2011/12 (£ per cow)

	Average	Top Third
Number in sample	46	16
Average herd size (head)	86	95
OUTPUT		
Calf output after valuation changes	891.03	887.51
VARIABLE AND REPLACEMENT COSTS		
Replacement costs	45.03	28.17
Variable costs		
<i>Total concentrates</i>	<i>146.08</i>	<i>148.19</i>
<i>Other feeds</i>	<i>45.81</i>	<i>64.99</i>
<i>Forage</i>	<i>62.66</i>	<i>43.82</i>
Total feed and forage	254.55	257.00
Veterinary	38.08	34.20
Bedding	63.12	42.95
Other costs	34.33	30.02
Total variable and replacement costs	435.22	392.33
Gross margin	455.81	495.17
FIXED COSTS		
Paid labour	140.92	94.26
Power and machinery repairs	113.56	69.57
Contractor charges	53.14	40.15
Administration	45.15	31.97
Property charges	55.98	36.44
Land resource costs (eg land rent)	65.01	47.71
Machinery depreciation and fixtures	83.23	42.60
Total fixed costs excluding non-cash costs	556.98	362.69
Net margin excluding non-cash costs	-101.17	132.48
NON-CASH COSTS		
Unpaid family labour	167.28	186.57
Rental value of owned land	53.52	56.94
Interest on working capital	47.05	42.02
Total non-cash costs	267.85	285.53
Total costs	1260.05	1040.55
Net margin including non-cash costs	-369.02	-153.05

Average 2011/12 compared with 2010/11

Output	↑
Feed and forage costs	↑
Bedding	-
Fixed Costs	↑
Net margin excluding non-cash costs	↑

Physical performance

	Average	Top Third
Barren cows per 100 cows	6.0	7.0
Calves born alive per 100 cows	90.1	86.5
Calves died per 100 cows	2.9	3.5
Calves reared per 100 cows	87.2	83.0
Calving period (weeks)	19	18
Return per calf (£ per head)	802	802
Calf price (£ per kg lw)	1.78	1.79
Weight per calf (kg)	451	448
Daily liveweight gain (kg)	1.03	1.08
Purchased concentrates (kg)	731	1020
Home grown concentrates (kg)	282	110
Total Concentrates (kg)	1012	1131
N Fertiliser use (kg per ha)	39	39
Stocking rate (LSU per ha)	0.9	0.8

Combined Rearer/Finisher

Costs per kg liveweight

	2010/11 £/kg	2011/12 £/kg	2012 April to Aug £/kg
Total feed and forage costs	0.56	0.65	0.66
Total variable and replacement costs	1.02	1.11	1.11
Paid labour costs	0.36	0.36	0.36
Power and machinery costs	0.26	0.29	0.30
Total fixed costs	1.36	1.42	1.43
Total non-cash costs	0.68	0.68	0.68
Total costs	3.07	3.21	3.22

Extensive Cattle Finishing

Top third herds achieve positive margins after non-cash costs

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Financial performance 2011/12 (£ per head)

	Average	Top Third
Number in sample	89	30
Average herd size (head)	65	47
OUTPUT		
Calf output after valuation changes	1172.29	1276.82
VARIABLE AND STOCK COSTS		
Stock purchases	572.39	542.68
Variable costs		
<i>Total concentrates</i>	<i>124.86</i>	<i>120.33</i>
<i>Other feeds</i>	<i>31.56</i>	<i>29.41</i>
<i>Forage</i>	<i>21.03</i>	<i>24.52</i>
Total feed and forage	177.45	174.25
Veterinary	12.40	15.19
Bedding	32.44	32.50
Other costs	29.61	28.78
Total variable and stock costs	824.29	793.42
Gross margin	348.00	483.40
FIXED COSTS		
Paid labour	67.13	54.33
Power and machinery repairs	79.46	40.81
Contractor charges	19.93	20.00
Administration	28.29	16.82
Property charges	32.08	16.48
Land resource costs (eg land rent)	36.17	24.80
Machinery depreciation and fixtures	48.46	20.73
Total fixed costs excluding non-cash costs	311.52	193.97
Net margin excluding non-cash costs	36.48	289.43
NON-CASH COSTS		
Unpaid family labour	89.11	77.95
Rental value of owned land	19.78	18.01
Interest on working capital	27.65	28.81
Total non-cash costs	136.54	124.77
Total costs	1272.35	1112.16
Net margin including non-cash costs	-100.06	164.66

Average 2011/12 compared with 2010/11

Output	↑
Stock purchase costs	↓
Feed and forage costs	↑
Non-cash costs	↑
Net margin excluding non-cash costs	↑

Physical performance

	Average	Top Third
Feeding period (days)	416	464
Average carcase weight (kg dwt)	314	309
Weight at start (kg lwt)	243	228
Weight at finish (kg lwt)	568	562
Daily liveweight gain (kg)	0.75	0.72
Mortality (%)	1.0	0.8

Prices

Return per finished animal (£ per head)	1042	1088
Sale price (£ per kg dwt)	3.32	3.52
Purchase price (£ per kg lwt)	1.74	1.96
Concentrate price (£ per tonne)	175	150

Prices

Concentrate usage (kg per head)	827	958
Concentrates per kg weight gain (kg)	3.3	2.9
N fertiliser use (kg per ha)	59	57
Stocking rate	2.6	2.1

Extensive finisher

Costs per kg deadweight

	2010/11 £/kg	2011/12 £/kg	2012 April to Aug £/kg
Total feed and forage costs	0.50	0.57	0.56
Total variable and stock purchase costs	2.62	2.63	2.97
Paid labour costs	0.21	0.21	0.21
Power and machinery costs	0.22	0.25	0.26
Total fixed costs	0.94	0.99	0.99
Total non-cash costs	0.43	0.43	0.43
Total costs	3.99	4.05	4.38

Intensive Cattle Finishing

Intensive cattle finishers use less concentrates and more forage

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Financial performance 2011/12 (£ per head)

	Average	Top Third
Number in sample	31	11
Average herd size (head)	51	64
OUTPUT		
Calf output after valuation changes	1097.73	1167.09
VARIABLE AND STOCK COSTS		
Stock purchases	472.39	441.52
Variable costs		
<i>Total concentrates</i>	<i>132.35</i>	<i>85.81</i>
<i>Other feeds</i>	<i>1.94</i>	<i>0.54</i>
<i>Forage</i>	<i>123.97</i>	<i>226.89</i>
Total feed and forage	258.26	313.24
Veterinary	13.64	13.72
Bedding	26.47	30.18
Other costs	20.51	10.66
Total variable and stock costs	791.28	809.33
Gross margin	306.45	357.76
FIXED COSTS		
Paid labour	67.79	75.89
Power and machinery repairs	38.70	32.55
Contractor charges	9.77	5.57
Administration	15.49	13.27
Property charges	19.12	16.02
Land resource costs (eg land rent)	14.38	12.45
Machinery depreciation and fixtures	23.26	17.17
Total fixed costs excluding non-cash costs	188.51	172.93
Net margin excluding non-cash costs	117.93	184.83
NON-CASH COSTS		
Unpaid family labour	59.03	29.91
Rental value of owned land	18.23	20.80
Interest on working capital	25.09	27.27
Total non-cash costs	102.35	77.98
Total costs	1082.14	1060.24
Net margin including non-cash costs	15.58	106.85

Selected Trends

Average 2011/12 compared with 2010/11

Output	↑
Stock purchase costs	↓
Feed and forage costs	↑
Fixed costs	↑
Net margin excluding non-cash costs	↑

Physical performance

	Average	Top Third
Feeding period (days)	258	299
Average carcase weight (kg dwt)	341	363
Weight at start (kg lwt)	278	231
Weight at finish (kg lwt)	614	655
Daily liveweight gain (kg)	1.28	1.43
Mortality (%)	1.2	1.2

Prices

Return per finished animal (£ per head)	1099	1159
Sale price (£ per kg dwt)	3.23	3.19
Purchase price (£ per kg lwt)	1.59	1.65
Concentrate price (£ per tonne)	138	135

Feed

Concentrate usage (kg per head)	1813	2216
Concentrates per kg weight gain (kg)	5.3	4.8

Intensive finisher

Costs per kg deadweight

	2010/11 £/kg	2011/12 £/kg	2012 April to Aug £/kg
Total feed and forage costs	0.65	0.76	0.76
Total variable and stock purchase costs	2.27	2.32	2.59
Paid labour costs	0.20	0.20	0.20
Power and machinery costs	0.10	0.11	0.11
Total fixed costs	0.53	0.55	0.55
Total non-cash costs	0.30	0.30	0.27
Total costs	3.09	3.18	3.41

Lowland Breeding Flocks

Top third flocks achieve positive margins after non-cash costs

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Financial performance 2011/12 (£ per ewe)

	Average	Top Third
Number in sample	42	14
Average flock size (head)	368	445
OUTPUT		
Lamb output after valuation changes	116.89	125.75
Wool	1.63	1.49
Total output	118.52	127.25
VARIABLE AND REPLACEMENT COSTS		
Replacement costs	14.78	13.40
Variable costs		
<i>Total concentrates</i>	<i>13.98</i>	<i>12.64</i>
<i>Other feeds</i>	<i>1.70</i>	<i>1.52</i>
<i>Forage</i>	<i>5.76</i>	<i>3.43</i>
Total feed and forage	21.43	17.58
Veterinary	7.13	6.79
Bedding	1.21	0.53
Other costs	5.30	4.49
Total variable and replacement costs	49.85	42.79
Gross margin	68.68	84.45
FIXED COSTS		
Paid labour	13.32	7.51
Power and machinery repairs	15.15	10.11
Contractor charges	5.22	5.17
Administration	6.75	4.31
Property charges	6.74	3.31
Land resource costs (eg land rent)	5.01	5.17
Machinery depreciation and fixtures	9.81	6.51
Total fixed costs excluding non-cash costs	61.99	42.09
Net margin excluding non-cash costs	6.68	42.36
NON-CASH COSTS		
Unpaid family labour	19.23	16.04
Rental value of owned land	6.81	4.99
Interest on working capital	6.82	6.26
Total non-cash costs	32.86	27.29
Total costs	144.70	112.17
Net margin including non-cash costs	-26.18	15.07

Selected Trends

Average 2011/12 compared with 2010/11

Output	↑
Feed and forage costs	↑
Gross margins	↑
Fixed costs	↑
Net margin excluding non-cash costs	↑

Physical performance

	Average	Top Third
Ewe to ram ratio	44	49
Lambs born per 100 ewes	166	169
Lambs reared per 100 ewes	159	162
Lambs died per 100 ewes	7	7
Carcase weight finished (kg)	19.8	20.0
Weight per lamb sold store (kg lw)	33.1	34.1

Prices

Return per lamb sold finished (£)	78.59	77.59
Return per lamb sold store (£)	56.27	67.87

LAMBS SOLD (%)

Slaughter	47	64
Store	29	19
Breeding	13	10
Closing valuation	11	8
Ewes sold per 100 ewes	20	20

Feed

Total ewe and lamb concentrates (kg per ewe)	57	52
Price per tonne concentrate (£)	262	255
N fertiliser use (kg per ha)	43	34
Stocking rate (LSU per ha)	1.6	1.8

Lowland breeding flocks

Costs per kg liveweight

	2010/11 £/kg	2011/12 £/kg	2012 April to Aug £/kg
Total feed and forage costs	0.29	0.34	0.34
Total variable and replacement costs	0.74	0.79	0.79
Paid labour costs	0.21	0.21	0.21
Power and machinery costs	0.22	0.24	0.24
Total fixed costs	0.94	0.98	0.99
Total non-cash costs	0.52	0.52	0.52
Total costs	2.20	2.29	2.30

Less Favoured Area Breeding Flocks

Top third flocks achieve positive margins after non-cash costs

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Financial performance 2011/12 (£ per ewe)

	Average	Top Third
Number in sample	77	26
Average flock size (head)	606	521
OUTPUT		
Lamb output after valuation changes	105.53	124.86
Wool	1.71	1.69
Total output	107.25	126.54
VARIABLE AND REPLACEMENT COSTS		
Replacement costs	12.66	10.85
Variable costs		
<i>Total concentrates</i>	<i>11.51</i>	<i>11.23</i>
<i>Other feeds</i>	<i>2.51</i>	<i>2.08</i>
<i>Forage</i>	<i>5.13</i>	<i>5.50</i>
Total feed and forage	19.15	18.81
Veterinary	6.46	6.28
Bedding	0.70	1.08
Other costs	4.06	3.66
Total variable and replacement costs	43.03	40.67
Gross margin	64.22	85.87
FIXED COSTS		
Paid labour	7.72	4.92
Power and machinery repairs	11.56	10.07
Contractor charges	5.35	5.36
Administration	5.39	4.63
Property charges	5.66	5.22
Land resource costs (eg land rent)	6.67	6.02
Machinery depreciation and fixtures	7.73	7.50
Total fixed costs excluding non-cash costs	50.08	43.73
Net margin excluding non-cash costs	14.14	42.14
NON-CASH COSTS		
Unpaid family labour	19.56	21.82
Rental value of owned land	4.75	4.01
Interest on working capital	6.46	6.29
Total non-cash costs	30.77	32.12
Total costs	123.88	116.52
Net margin including non-cash costs	-16.63	10.02

Average 2011/12 compared with 2010/11

Output	↑
Feed and forage costs	↑
Gross margins	↑
Fixed costs	↑
Net margin excluding non-cash costs	↑

Physical performance

	Average	Top Third
Ewe to ram ratio	40	36
Lambs born per 100 ewes	151	164
Lambs reared per 100 ewes	144	157
Lambs died per 100 ewes	7	7
Carcase weight finished (kg)	19.4	20.0
Weight per lamb sold store (kg lw)	33.9	35.1

Prices

Return per lamb sold finished (£)	75.83	79.40
Return per lamb sold store (£)	55.13	59.94

Lambs sold (%)

Slaughter	44	52
Store	29	25
Breeding	25	23
Closing valuation	2.6	0
Ewes sold per 100 ewes	20	20

Feed

Total ewe and lamb concentrates (kg per ewe)	56	52
Price per tonne concentrate (£)	215	220
N fertiliser use (kg per ha)	61	41
Stocking rate (LSU per ha)	2.6	1.5

LFA breeding flocks

Costs per kg liveweight

	2010/11 £/kg	2011/12 £/kg	2012 April to Aug £/kg
Total feed and forage costs	0.30	0.35	0.36
Total variable and replacement costs	0.75	0.79	0.80
Paid labour costs	0.14	0.14	0.14
Power and machinery costs	0.19	0.21	0.22
Total fixed costs	0.88	0.92	0.93
Total non-cash costs	0.56	0.56	0.56
Total costs	2.19	2.27	2.29

Store Lamb Finishing

Finishers maintain positive net margins

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Financial performance 2011/12 (£ per ewe)

	Average	Top Third
Number in sample	59	20
Average flock size (head)	335	307
OUTPUT		
Sales after valuation changes	75.77	81.84
VARIABLE AND PURCHASE COSTS		
Store lamb purchase costs	52.03	45.47
Variable costs		
<i>Total concentrates</i>	4.83	0.56
<i>Other feeds</i>	0.85	0.00
<i>Forage</i>	0.95	0.92
Total feed and forage	6.63	1.48
Veterinary	0.50	0.31
Bedding	0.22	0.28
Other costs	2.41	2.83
Total variable and purchase costs	61.79	50.66
Gross margin	13.97	31.19
FIXED COSTS		
Paid labour	0.99	0.95
Power and machinery repairs	1.39	1.81
Contractor charges	0.42	0.54
Administration	0.52	0.73
Property charges	0.68	1.20
Land resource costs (eg land rent)	0.50	0.64
Machinery depreciation and fixtures	0.67	0.87
Total fixed costs excluding non-cash costs	5.17	6.74
Net margin excluding non-cash costs	8.80	24.45
NON-CASH COSTS		
Unpaid family labour	4.42	4.93
Rental value of owned land	0.52	0.59
Interest on working capital	0.38	0.32
Total non-cash costs	5.32	5.84
Total costs	72.28	63.24
Net Margin including non-cash costs	3.48	18.61

Average 2011/12 compared with 2010/11

Output	↑
Feed and forage costs	↑
Store purchase cost	↑
Fixed costs	↑
Net margin excluding non-cash costs	↓

Physical Performance

	Average	Top Third
Feeding period (days)	85	124
Liveweight at start (kg)	34	33
Liveweight at finish (kg)	42	42
Mortality (%)	2.6	1.5
Concentrates (kg per head)	26	3
Price per tonne concentrate (£)	207	227
N fertiliser per ha (kg)	33	34

Store lambs

Costs per kg liveweight

	2010/11 £/kg	2011/12 £/kg	2012 April to Aug £/kg
Total feed and forage costs	0.14	0.16	0.16
Total variable and stock purchase costs	1.34	1.49	1.46
Paid labour costs	0.02	0.02	0.02
Power and machinery costs	0.03	0.03	0.03
Total fixed costs	0.12	0.12	0.13
Total non-cash costs	0.13	0.13	0.13
Total costs	1.59	1.74	1.72

Early Lambing Flocks

Financial performance 2011/12 (£ per ewe)

	Average
Number in sample	20
Average flock size (head)	309
OUTPUT	£ per ewe
Lamb output after valuation changes	147.08
Wool	2.93
Total output	150.01
VARIABLE AND REPLACEMENT COSTS	
Replacement costs	12.32
Variable costs	
<i>Total concentrates</i>	<i>26.68</i>
<i>Other feeds</i>	<i>4.22</i>
<i>Forage</i>	<i>11.21</i>
Total feed and forage	42.10
Veterinary	5.65
Bedding	2.12
Other costs	5.72
Total variable and replacement costs	67.91
Gross margin	82.10
FIXED COSTS	
Paid labour	12.87
Power and machinery repairs	13.76
Contractor charges	7.69
Administration	6.84
Property charges	3.75
Land resource costs (eg land rent)	8.86
Machinery depreciation and fixtures	6.99
Total fixed costs excluding non-cash costs	60.75
Net margin excluding non-cash costs	21.35
NON-CASH COSTS	
Unpaid family labour	26.89
Rental value of owned land	5.84
Interest on working capital	7.05
Total non-cash costs	39.78
Total costs	168.44
Net margin including non-cash costs	-18.43

Selected Trends

Average 2011/12 compared with 2010/11

Output	↑
Feed and forage costs	↑
Gross margins	↑
Fixed costs	↑
Net margin excluding non-cash costs	↑

Physical performance

	Average
Ewe to ram ratio	33
Lambs born per 100 ewes	151
Lambs reared per 100 ewes	145
Lambs died per 100 ewes	4

Carcase weight finished (kg)	18.7
Weight per lamb sold store (kg lw)	33.7

Prices

Return per lamb sold finished (£)	89.29
Return per lamb sold store (£)	60.60

Lambs sold (%)

Slaughter	76
Store	2
Breeding	22
Closing valuation	0
Ewes sold per 100 ewes	20

Feed

Total ewe and lamb concentrates (kg per ewe)	102
Price per tonne concentrate (£)	260
N fertiliser use (kg per ha)	0
Stocking rate (LSU per ha)	1.9

Note: Due to the sample size a statistical significant top third of sample is not available

	2010/11	2011/12	2012 April to Aug
Early lambing flock	£/kg	£/kg	£/kg
Costs per kg liveweight			
Total feed and forage costs	0.64	0.74	0.75
Total variable and stock purchase costs	1.09	1.19	1.20
Paid labour costs	0.23	0.23	0.23
Power and machinery costs	0.22	0.24	0.25
Total fixed costs	1.03	1.06	1.07
Total non-cash costs	0.70	0.70	0.70
Total costs	2.82	2.95	2.97

How the Business Pointers data is compiled

This year the data uses the 2010/11 figures as a base and estimates the changes using published input costs data together with AHDB market information regarding store and finished prices.

All the data relates to the financial year ended 31 March 2012. The averages shown are weighted averages produced by weighting individual enterprise information in the base data by the number of relevant sheep/cattle present in the enterprise.

What the Business Pointers figures mean

AVERAGE HERD/FLOCK SIZE

This is the average number of animals in the herd/flock during the year. The per animal figures are calculated from the herd/flock size.

GROSS MARGIN

Equates to the value of output (after the valuation of livestock still on the farm at the end of the accounting period) minus the variable costs.

NET MARGIN (before non-cash costs)

Equates to the value of output minus both the variable and fixed costs and represents the net return to the enterprise, before the value of family labour or the imputed rental cost of owner occupied land is taken into account.

Results have been ranked into top third on the basis of net margin before the deduction of non-cash costs.

FIXED COSTS are defined as follows:

Labour costs

Regular wages and casual wages. (The cost of unpaid family labour is listed under non-cash costs).

Power and machinery

Machinery repairs, fuel, electricity, tax and insurance.

Contractor charges

Contract labour/hire for forage harvesting, hedge-cutting, slurry carting, sheep shearing etc.

Administration

Insurance, office costs (including fees for professional services) and miscellaneous sundries.

Property charges

Water, council tax and farm and property repairs.

Land resource costs

Rent and rented land. (The imputed rental cost for land on owner-occupied farms is listed under non-cash costs).

Machinery and fixtures

Machinery depreciation, fixtures depreciation, machinery and equipment leasing.

NON-CASH COSTS are defined as follows:**Unpaid family labour**

Value of family labour that is not paid directly from farm accounts. This has been estimated for 2011/12 as £12.50 per hour. In addition to the hourly rate, employer's liability insurance and National Insurance are also included.

Rental value of owner-occupied land

Rental equivalent of owner-occupied land based on local land rental values.

Interest on working capital

Interest was applied to all costs incurred during the production cycle of the beef or sheep enterprise.

Net margin (including non-cash costs)

Equates to the value of output minus variable, fixed and non-cash costs.

PHYSICAL PERFORMANCE:**Lambing/calving/rearing/mortality rates**

The number of animals born/reared/died per breeding animal put to the ram/bull. These are assumed to be the same as 2010/11.

Daily liveweight gain

Calculated by taking the difference between the starting and finishing weight of the animal and dividing by the number of days in the year. This is done for comparison purposes.

Stocking rates

The calculation is based on the number of livestock units per forage hectare used by the enterprise. The value of a livestock unit per animal is taken from published figures in the John Nix Farm Management Handbook.

Concentrate price and usage in cattle finishing herds

Due to the significant amount of alternative (by-product) and wet feeds fed to finishing cattle we now convert these feeds to a concentrate equivalent (88% dry matter) to arrive at a true concentrate feed rate. For moist and wet feeds the price per tonne on a fresh weight basis is divided by the percentage dry matter (DM) content to calculate a cost per tonne of DM and then multiplied by 88% to get an equivalent cost for an 88% DM feed.

Data: Figures may not add to totals due to rounding
Source: Promar International base data, updated by AHDB/EBLEX

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EBLEX is a division of the Agriculture and Horticulture Development Board (AHDB).
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