FBS Farm Business Survey

Department for Environment Food & Rural Affairs

FARM BUSINESS SURVEY

Hill Farming in England

2023/24

Promar
Your Trusted Partner

Farm Business Survey

2023-24

Hill Farming in England

Mark Fogerty and Keith Robbins

Promar International
Alpha Building
London Road
Stapeley
Nantwich
Cheshire
CW5 7JW

Telephone: 01270 616800
E-mail: natalie.gaibani@genusplc.com

Acknowledgements

Promar International thanks sincerely all the farmers who have voluntarily provided records and information on which the annual Farm Business Survey, and this report, is based.

The basic information on which this report is based was collected on behalf of, and financed by, the Department for Environment, Food and Rural Affairs and is Crown Copyright.

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Contents

Background & Context

The total area of land classified as Less Favoured Area (LFA) on farms in England is 2.2 million hectares. Of this, 1.8 m hectares are farmed- 17% of the total farmed area of England[1]. This total is made up of Severely Disadvantaged Areas (SDAs) which account for 67% of the LFA, and Disadvantaged Areas (DAs) accounting for 33% of the LFA. These are areas where farming is more difficult because of poor climate, soils and terrain, which in turn lead to lower yields and higher production and transportation costs. LFAs essentially define the upland hill-farming areas; they include most of the upland areas in the North of England (including the Pennines, Lake District and North York Moors) the Peak District, the English part of the English Welsh border, Exmoor, Dartmoor, and parts of Cornwall.

In England, 27% of beef cows and 40% of female breeding sheep are on commercial LFA grazing livestock farms[2]. Farming plays a crucial role in maintaining the distinctive landscape of such areas.

There are some 11,965 commercial holdings classified as Grazing Livestock (LFA) farms and these account for 1.23 million ha of English farmland (excluding commons)[3]. While these holdings predominantly farm in the LFA this is not exclusively the case; that is some LFA Grazing livestock farms may farm areas of lowland and some Lowland grazing farms may farm some areas of the LFA. This report presents data representing the 6,285 commercial holdings with a lower size limit of at least 25,000 euros or above of Standard Output (see below).

The continued economic health of the farmers (and other land users and managers) in the uplands is of considerable value to society. The current performance and, hence, economic health of the livestock farmers in the Less Favoured Areas of England is the focus of this report.

This report concentrates on the England Regions, which represent amalgamations of the former Government Office (GO) Regions:

- England West Region comprises the South West and West Midlands GO regions.
- England North Region includes North West, North East and Yorkshire & Humberside GO regions.
- England East Region is the East Midlands, Eastern and South East GO regions.

In comparison to land in the SDA, land in the DA is generally higher-grade agricultural land, is more accessible, and producers have more options to maximise the potential of the land. Under the Basic Payment Scheme (BPS) the DA is subsumed within the lowland region and therefore receives a higher flat rate payment than the SDA. The traditional basis of farming in the LFA is the keeping of beef suckler cows and breeding ewes. The breed of livestock kept corresponds with the type of land; the hills being dominated by hardy breeds and the lower land having more upland and lowland type stock.

The Data: FBS Grazing Livestock Farms (LFA)

The data presented in this publication comes from 172 farms, which are all part of the Farm Business Survey. Fifty nine per cent come from the FBS North Region, 33% from the FBS West Region and the remaining 8% from the FBS East Region. The data have been ‘weighted’ to represent the total population with each individual farm assigned a weighting factor. Consequently, the ‘raised sample’

[1] Defra- Farming in the Uplands- ARCHIVE: Defra, 2010-11

[2] Data from Defra, June Survey of Agriculture and Horticulture, 2023 Structure of the agricultural industry in England and the UK at June- GOV.UK

[3] Data from Defra, June Survey of Agriculture and Horticulture, 2023 Structure of the agricultural industry in England and the UK at June- GOV.UK

provides a basis for estimating the total land use and performance for the LFA, by farm type and by region.

It is important to note that all surveys are subject to sampling error as they are not measuring the whole population, the FBS is no exception. It is common practice to publish 95% confidence intervals and error bars alongside any published estimated figures to give the reader an indication of the size of the sampling error. These signify that we are 95% confident that this range contains the true value. For simplicity within these reports, the confidence intervals have not always been published. Readers should be aware that the figures calculated from the FBS data have a level of uncertainty around them and that all figures are estimates. Generally, the smaller the sample size the greater the sampling error and the less confidence we have in the estimates. For details on the FBS confidence intervals, please refer to Defra FBS publications https://www.gov.uk/government/collections/farm-businesssurvey

The Farm Business Survey classifies farms based upon Standard Outputs (SO)[4]. LFA Grazing Livestock Farms are holdings on which cattle, sheep and other grazing livestock account for more than two thirds of their total SO- except holdings classified as Dairy. Dairy farms are those where dairy cows account for more than two thirds of the total SO (and are excluded from this report). A holding is classified as an LFA holding if 50% or more of its total area is in the LFA. Of holdings classified as LFA, those whose LFA land is wholly or mainly (50% or more) in the SDA are classified as SDA; those whose LFA land is wholly or mainly (more than 50%) in the DA are classified as DA. For the purposes of the survey, only those farms with an SO of at least 25,000 euros are considered, which excludes some 11,000 very small holdings in the LFA.

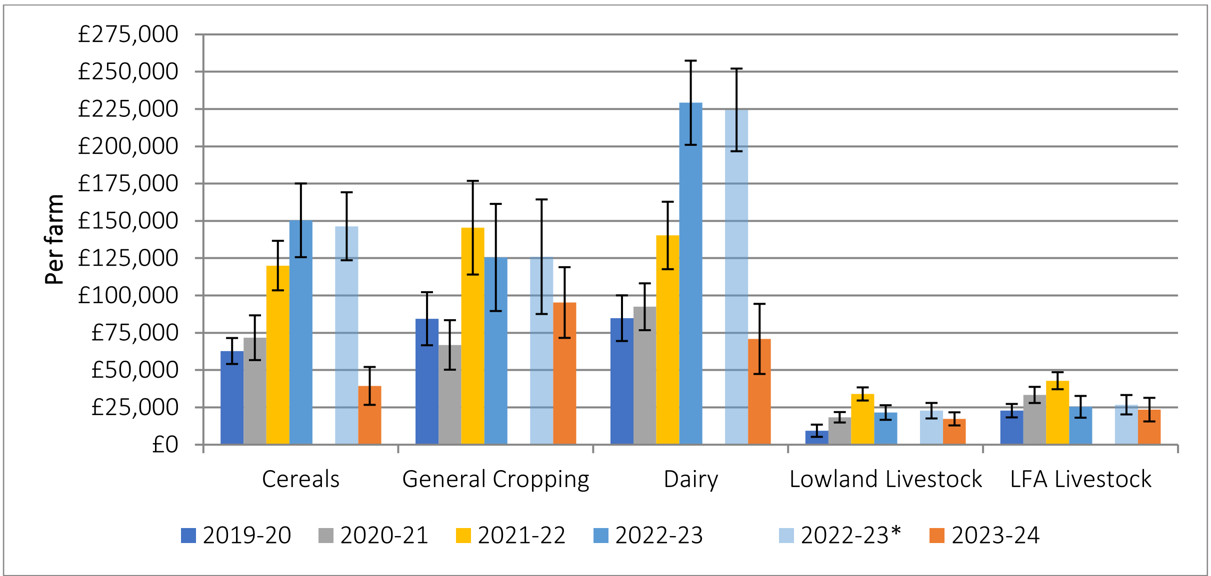
Within this Grazing Livestock (LFA) group there are four sub-groups-

- Specialist Sheep (SDA)- farms where more than two thirds of the total SO is accounted by sheep, and 50% or more of the total area of the farm is in the LFA, of which 50% or more is in the SDA
- Specialist Beef (SDA)- farms where more than two thirds of the total SO is accounted by beef cattle, and 50% or more of the total area of the farm is in the LFA, of which 50% or more is in the SDA
- Mixed Grazing Livestock (SDA)- farms that are neither specialist sheep or cattle but where more than two thirds of the total SGM is accounted by beef cattle and sheep, and 50% or more of the total area of the farm is in the LFA, of which 50% or more is in the SDA
- Various Grazing Livestock (DA)- farms where more than two thirds of the total SO is accounted by beef cattle and sheep, and 50% or more of the total area of the farm is in the LFA, of which 50% or more is in the DA

The comparative business performance of LFA farms is illustrated in Figure 1, which compares the Farm Business Income (FBI) per farm earned by the LFA grazing farms and by other farm types in the England FBS sample over the last six years.

[4] The Standard Output (SO) for a farm business represents the theoretical output for all the agricultural production activities on the farm, based on standard coefficients for each commodity on the farm. The SO is representative of expected output under typical conditions for enterprises of average size and performance. Farms are classified according to the enterprise mix of SOs on a farm. (See Appendix 1 for more information on Standard Output.)

Figure 1 Trends in Farm Business Income £ per farm, in England, by farm type



*There is a break in the series in 2022/23, this represents changes in the method used to assign farms to a specific farm type. The 2022/23 figures have been reworked on the new farm type classifications.

Source: Farm Business Income by type of farm in England 2023/24- GOV.UK

Farm Business Income (FBI) represents the financial return to all unpaid labour (farmers and spouses, non-principal partners and their spouses and family workers) and on all their capital invested in the farm business, including land and buildings (net of any interest payments on debt capital).FBI closely resembles farm profit. As can be seen, the upland farms have always under-performed relative to their peers except Lowland Livestock in terms of income per farm.

The Average LFA Farm in 2023-24

Although the average LFA farm in the FBS sample does not reflect the wide variation in either the sample, or still more the whole population, its description still provides a general picture of the sector. The average farmed area is 176 ha plus common grazing. This area includes 97 ha of permanent grassland and 62 ha of rough grazing. The average farm is part owned (90 ha) and part rented (86 ha). The average LFA farmer has 23 beef cows and 422 breeding ewes. Cattle and Sheep youngstock make up the total to 77 cattle and 802 sheep on the farm, making a total of 90 Grazing Livestock Units (GLUs) (see Tables 1&2).

Table 1 also illustrates the variation in performance levels within the sector. High performing farms represent the top 25% of farms, Medium the middle 50% and the Low the bottom 25%. The High performing businesses are much larger than the medium and low performers. They can spread their fixed costs over a greater area, have similar income per farm from diversification with the BPS per hectare only slightly lower. The agri-environmental incomes are much higher per hectare than the lower performers.

Table 1: Income details, for all LFA farms, and by Performance Band

Financial details, 2023/24		Level of performance		
	Average all farms	Low	Medium	High
Number of farms in group	172	29	98	45
Average farmed area (hectares)	175.7	109.2	148.7	293.2
Average % of owned total farmed area	51%	44%	60%	45%
	£ per farm			
Output				
Cattle	39,628	15,621	43,734	55,007
Sheep	48,557	22,827	43,368	83,758
Other livestock	442	0	824	129
Crops	2,547	103	1,953	6,088
Forage	1,501	1,054	1,169	2,585
Environmental schemes	17,642	4,927	14,002	37,136
Basic Payment Scheme	19,172	10,331	17,057	31,913
Rental income	3,535	1,432	2,924	6,775
Contract work	5,675	3,435	7,268	4,750
Renewable energy production	942	739	741	1,530
Miscellaneous output	5,107	2,844	5,117	7,290
Total Farm Output	144,747	63,314	138,159	236,961
Variable costs				
Concentrates	18,846	10,793	20,462	23,540
Purchased fodder	2,611	1,398	2,639	3,740
Veterinary and medicines	5,510	2,905	5,646	7,782
Other livestock costs	10,862	6,592	11,590	13,603
Seeds	779	150	996	967
Fertilisers	5,126	2,178	6,141	6,018
Crop protection	567	218	631	781
Other crop costs	679	468	811	626
Total Variable Costs	44,979	24,702	48,915	57,057
Gross Margin	99,768	38,612	89,243	179,903
Fixed costs				
Paid labour	7,734	3,006	5,928	15,866
Contract	6,834	4,170	5,604	11,829
Machinery repairs	6,345	4,613	6,762	7,220
Machinery fuel	5,856	3,592	6,401	6,998
Machinery depreciation	10,578	6,235	11,603	12,809
General costs	14,589	12,167	15,160	15,835
Property maintenance	5,460	4,598	5,926	5,389
Rent, hired in keep and bare land	7,705	4,291	6,682	13,029
Buildings depreciation	4,092	2,649	3,633	6,395
Interest	7,070	8,155	6,547	7,034
Total Fixed Costs	76,263	53,477	74,246	102,405
FARM BUSINESS INCOME	**23,505**	**-14,865**	**14,997**	**77,498**
All unpaid labour	35,599	34,492	37,876	32,236
Equals - FARM CORPORATE INCOME	-12,095	-49,357	-22,878	45,262
Plus - Net Interest	7,005	8,124	6,483	6,936
Equals - FARM INVESTMENT INCOME	-5,089	-41,233	-16,395	52,198

Alternative Income Measures, 2023/24					
			Level of performance		
		Average all farms	Low	Medium	High
Reconciliation between Net Farm Income and Farm Business Income					
	FARM BUSINESS INCOME	23,505	-14,865	14,997	77,498
Plus-	Directors remuneration	618	1,586	284	326
Less-	Net income from assets associated with the farm business	0	0	0	0
Plus-	Buildings and works depreciation	4,092	2,649	3,633	6,395
Plus-	Landlord type expenses	624	541	717	523
Plus-	Imputed rental income	491	402	453	653
Less-	Imputed rent and rental value	15,227	7,712	14,920	23,148
Plus-	Net Interest	7,005	8,124	6,483	6,936
Less-	Unpaid labour of partners	6,439	6,039	7,352	5,049
Equals-	NET FARM INCOME**	14,669	-15,314	4,296	64,134

** Excluding Breeding Livestock Stock Appreciation

Table 2 Land Use, for all LFA farms, and by Performance Band

Land Use and Indicators of Technical Efficiency, 2023/24				
		Level of performance		
	Average all farms	Low	Medium	High
Number of farms in group	172	29	98	45
Average farmed area (hectares)	175.7	109.2	148.7	293.2
Average proportion of owned total farmed area(%)	51%	44%	60%	45%
Land use				
Area of crops	1.8	0.1	1.4	4.3
Temporary grass	6.8	0.5	4.2	18.2
Permanent grass	96.7	63.5	87.4	147.3
Fodder crops	0.9	0.1	1.6	0.1
Rough grazing	62.4	40.2	46.5	115.1
Uncropped, fallow and turf	0.5	0.0	0.2	1.7
Forage hired in	6.5	4.7	7.5	6.5
Stocking				
Average number of dairy cows	0	0	0	1
Average number of beef cows	23	12	27	26
Average number of other cattle	54	27	62	65
Average number of ewes	422	252	364	699
Average number of other sheep	380	203	335	642
Grazing livestock units	GLUs per farm			
Dairy cows	0.3	0.0	0.3	0.8
Beef cows	11.5	5.8	13.4	13.2
Other cattle	34.3	16.8	39.3	41.5
Sheep	43.2	24.4	38.0	71.8
Other livestock	0.8	0.6	1.0	0.7
Total	90.1	47.6	92.0	128.0
GLUs per ha	0.52	0.44	0.63	0.45
GLUs per adjusted ha	0.65	0.59	0.79	0.54

Table 3 Balance Sheet details, for all LFA farms, and by Performance Band

Balance Sheet, 2023/24		Level of performance		
(end of year)	Average all farms	Low	Medium	High
Number of farms in group	172	29	98	45
Average farmed area (hectares)	175.7	109.2	148.7	293.2
Average proportion of owned total farmed area	51%	44%	60%	45%
	£ per farm			
End of year assets & liabilities				
Land & buildings	1,149,077	807,537	1,085,223	1,606,525
Milk quota	0	0	0	0
Basic Payment Scheme	13,507	7,635	12,135	21,905
Machinery	89,063	48,789	98,490	109,912
Tenant's other assets	4,208	5,551	1,146	8,878
Breeding livestock	88,121	46,384	88,447	128,156
Total fixed assets	**1,343,976**	**915,896**	**1,285,441**	**1,875,376**
Trading livestock	43,073	19,021	46,264	60,283
Crops	1,082	29	487	3,268
Forage and cultivations	4,070	2,728	3,907	5,695
Stores	3,901	1,297	5,195	3,911
Debtors and loans	6,206	1,855	6,440	9,992
Bank credit and cash	24,329	10,781	23,601	38,953
Other current assets	0	0	0	0
Total current assets	**82,660**	**35,710**	**85,894**	**122,102**
Total assets	**1,426,636**	**951,605**	**1,371,335**	**1,997,478**
Financed by				
AMC	35,106	28,332	34,892	42,126
Bank loans	55,578	53,311	63,909	41,529
Other long term	10,870	13,794	11,565	6,666
Total long term	**101,555**	**95,438**	**110,366**	**90,321**
HP and lease	3,908	4,137	3,936	3,630
Creditors	8,328	8,354	7,346	10,220
Bank overdraft	19,330	18,993	15,651	26,839
Other short term	59	8	47	130
Total current liabilities	**31,626**	**31,491**	**26,982**	**40,820**
Total Liabilities	**133,180**	**126,929**	**137,347**	**131,140**
Net worth	**1,293,456**	**824,676**	**1,233,988**	**1,866,337**
Balance sheet ratios-				
% Owner equity (net worth v. total assets)	91%	87%	90%	93%
% Fixed assets vs. total assets	94%	96%	94%	94%
Gearing (long-term loans v. total assets)	7%	10%	8%	5%
Total debt (external liabilities v.net worth)	10%	15%	11%	7%

Table 4 Fund flow, for all LFA farms, and by Performance Band

FUND FLOWS, 2023/24		Level of performance		
	Average all farms	Low	Medium	High
Number of farms in group	172	29	98	45
Average farmed area (hectares)	175.7	109.2	148.7	293.2
Average proportion of owned total farmed area(%)	51%	44%	60%	45%
	£ per farm			
Funds available from trading				
Farm Business Income	23,505	-14,865	14,997	77,498
Buildings and works depreciation	4,092	2,649	3,633	6,395
Machinery depreciation	10,578	6,235	11,603	12,809
Change in valuation *	245	4,513	1,645	-6,648
Trading net fund flow surplus	38,419	-1,468	31,878	90,053
Funds used for farm investments				
Net property and quota purchases	5,175	-771	10,147	1,266
Net landlord capital purchases	3,492	572	3,060	7,181
Net machinery and equipment purchases	12,174	4,528	13,432	17,171
Capital net fund flow	20,841	4,330	26,638	25,617
Total farm fund flow surplus	17,578	-5,797	5,240	64,436
Funds used for private expenditure				
Private drawings	27,879	19,751	23,968	43,432
Net private funds introduced	18,896	45,518	19,014	-7,279
Private fund outflow	8,983	-25,767	4,954	50,711
Total net fund flow surplus	**8,595**	**19,970**	**286**	**13,725**
Increase in loans and deposits	-12,224	-30,942	-2,110	-13,722
Increase in bank balance	-2,498	-4,917	-2,513	-111
Increase in cash in hand	-61	0	-122	0
Increase in debtors	-2,668	-2,955	65	-7,721
Increase in creditors	-1,597	3,100	-745	-7,836
Net change in funding	**-8,595**	**-19,970**	**-286**	**-13,725**
* An increase in valuation is represented as a negative, with funds being used to increase the live and deadstock valuation				

The average LFA Grazing Livestock farm in England in 2023/24 is represented by the set of accounts shown in Table 5. This table reports the average farm accounts for the whole sample of 172 farms, broken out by four “cost centres” representing the different aspects of the farm business: agriculture (production agriculture and agricultural contracting) environmental management, diversification (off farm activities except agricultural contracting) and the Basic Payment Scheme. To the extent possible, the variable costs of the business have been separated out as relevant to each of these cost centres, while fixed costs (including depreciation) have also been allocated so far as possible, including the casual labour cost, according to the shares of each centre in total costs.

Table 5 Business Output, Input and Income

Grazing Livestock (LFA) farms in England					
	Cost Centre				
Derivation of farm income measures: 2023-24	Agriculture	Agri-environment and other payments	Diversified out of agriculture	Basic Payment Scheme	Farm Business
Total Output	98,136	17,642	9,723	19,172	144,672
Variable costs (b)	53,835	114	154	2	54,105
Total Gross Margin	44,302	17,527	9,569	19,170	90,567
Fixed costs (c)	58,550	2,811	3,869	2,120	67,350
Total Costs	112,384	2,925	4,024	2,121	121,454
Profit/(loss) on sale of machinery, glasshouses and permanent crops (d)					287
Farm Business Income (e)	**-13,961**	**14,716**	**5,699**	**17,050**	**23,505**
Adjustment for unpaid manual labour (f)	33,157	667	1,775	0	35,599
Farm Corporate Income (g)	-47,118	14,049	3,924	17,050	-12,095
Interest payments on borrowing (net of interest received) (c)	6,510	201	192	103	7,005
Farm Investment Income (h)	-40,608	14,250	4,116	17,153	-5,089
Holding gains not included in farm income:					64,499
of which:					
Breeding Livestock Stock Appreciation (BLSA)					1,716
Revaluation of machinery, permanent crops, glasshouses, quota					4,731
Revaluation of land					58,052
Derivation of Net Farm Income:					
(h) *plus* Director remuneration					618
minus Imputed rent (i)					14,735
plus, Ownership charges					4,716
minus Non-agricultural output historically not accounted for in Net Farm Income					0
plus, Non-agricultural input costs historically not accounted for in Net Farm Income					0
plus, Unpaid labour of principal farmer and spouse					29,160
equals **Net Farm Income**					14,669

Footnotes:
(a) The purpose of this table is to identify the contribution of the various cost centres to the farm business.
Definitions of the measures of income can be found at http://statistics.defra.gov.uk/esg/publications/fab/2009/Appendix2.pdf
(b) Includes casual labour costs which have been allocated between costs centres in proportion to total costs.
(c) Interest payments have been allocated between cost centres in proportion to costs, and interest received in proportion to output.
(d) Assumed to be attributable entirely to agriculture
(e) Financial return to unpaid labour (farmers and other unpaid partners in the business) and to their capital invested in the farm business, including land and buildings. For corporate businesses it represents the financial return on shareholders' capital.
(f) Manual labour of farmer, spouse (if unpaid) and unpaid business partners
(g) Represents the return on own capital invested in the farm business, to risk and to entrepreneurship.
(h) Represents the return on all capital invested in the farm business whether borrowed or not, to risk and to entrepreneurship.
(i) Net of imputed rent receipts

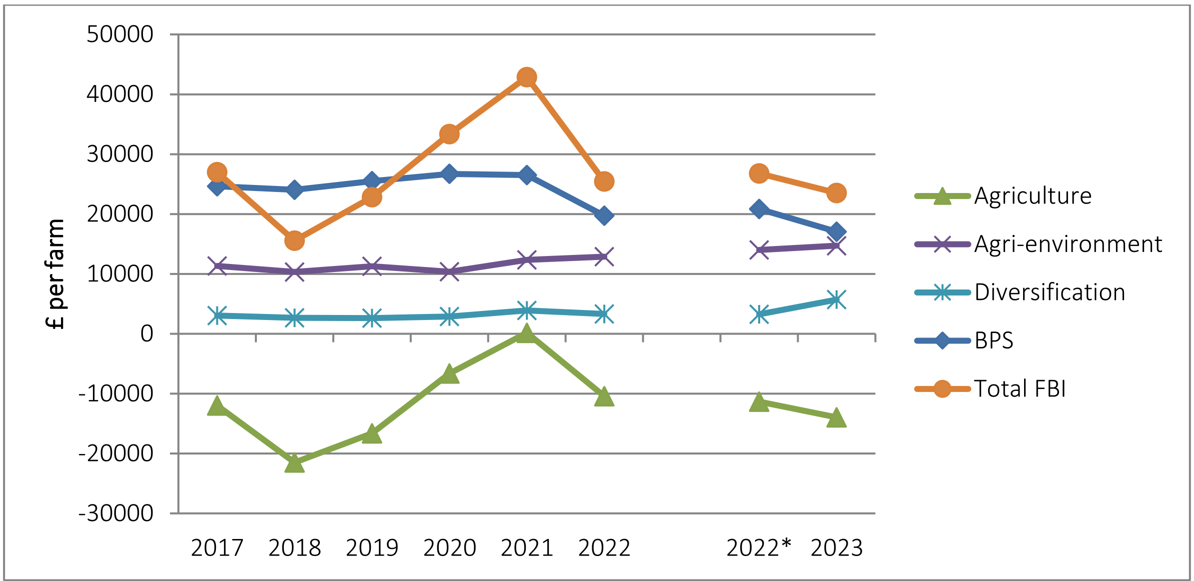
On average, these farms only earn some 68% of their total revenue (output) from the agriculture cost centre, with 13% coming from the Basic Payment, and 12% from specific Agri-environment payments. The balance of revenues (7%) is earned from non-farm activities (mostly associated with tourism and recreation and non-agricultural contracting; agricultural contracting is included in the agriculture cost centre). The agriculture cost centre covers its variable costs and earns a positive gross margin of £44,302 per farm (a 6% increase on the previous year). However, since the production agriculture side of the farm business is assumed to incur most of the fixed costs (87%) the average LFA farm is shown to generate an Agricultural Business Income loss of £13,961 per farm in 2023/24 – a loss on the figure of £11,343 in the previous year.

The revenues earned from Agri-environment, diversification and the Basic farm payments more than cover their own costs and can offset the losses from traditional agriculture production activities to generate a headline Farm Business Income (FBI) of £23,505 per farm in 2023/24, a 12% reduction on the previous year. This income covers the opportunity costs of the unpaid labour (provided by the farmer and partners) of £35,599 per farm and as a result, Farm Corporate Income registers at a loss of £12,095 per farm (a further loss on the £6,454 as compared to 2022/23). Adjusting for the net interest payments made by the farm, the Farm Investment Income (which represents the return on risk and entrepreneurship on all capital invested in the farm business whether borrowed or not) is a loss of £5,089, down from the previous year's figure of £1,365.

The traditional measure of farm income is Net Farm Income (NFI). NFI adjusts the business accounts to put all farm business on the same (tenancy) basis. A rental value is imputed for all owner-occupied farms (as a measure of the opportunity cost of owning land) and adjusted for landlord costs. In addition, NFI is gross of the unpaid labour of the principal farmer and spouse (though not that of other partners). NFI is, therefore, an expression of the returns earned by the business to pay the farmer and spouse for their own labour, management and tenant's capital invested in the business. The net result of these adjustments is shown in Table 5, giving an average NFI of £14,669 per farm, down by 14% on 2022/23 and more than a half from 2021/22.

The between year variation in the farm profitability is illustrated in Figure 2. The FBI achieved by Agriculture shows the biggest volatility with the three other strands relatively stable over the last six years. The Agri-environment and Diversification strands are tending to increase whilst the BPS is declining.

Figure 2 LFA Grazing Livestock farms in England- Average Farm Business Income by Cost Centre 2017-2023 crop years.

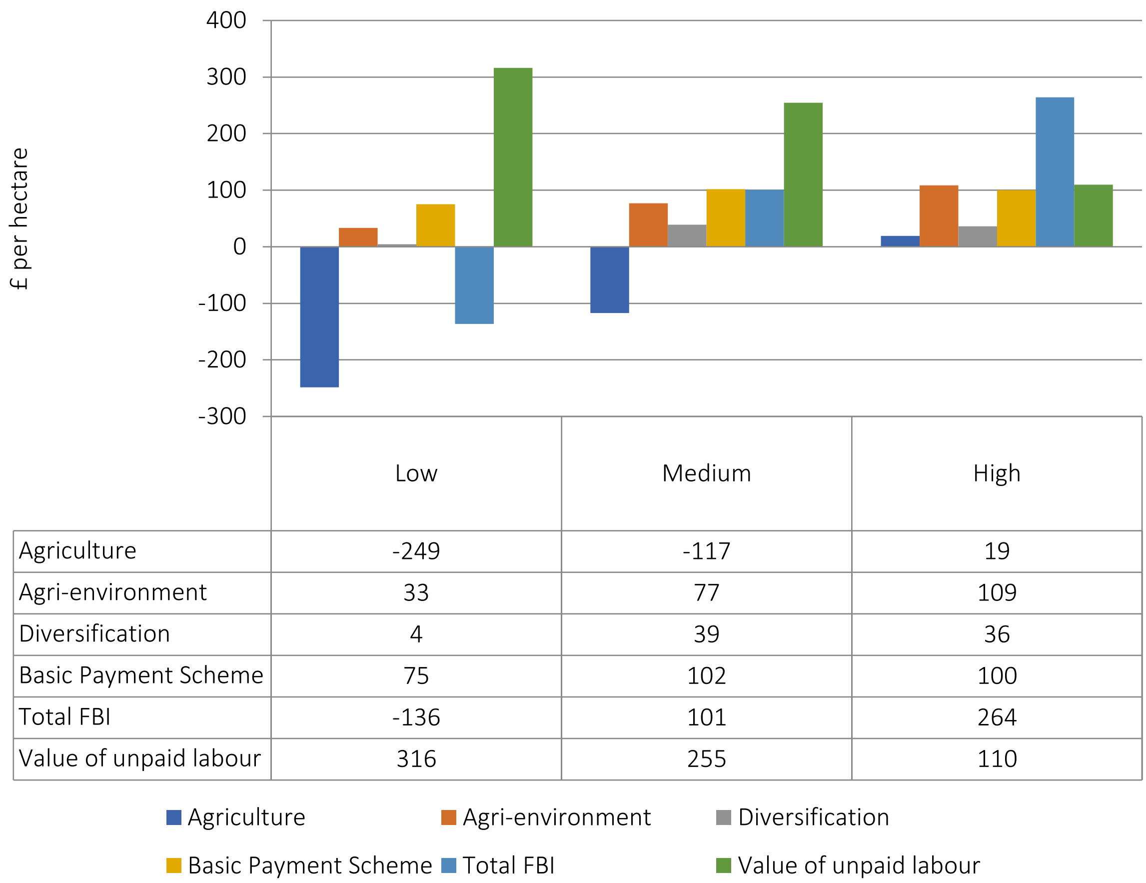


*There is a break in the series in 2022/23, this represents changes in the method used to assign farms to a specific farm type. The 2022-23 figures have been reworked on the new farm type classifications.

There is, as already noted, a substantial range of performance exhibited by the sample. Figure 3 shows the sample distribution by quartile, based on Farm Business Income per farm. The "high" group of farms is the upper quartile of the (weighted) distribution of farms, consisting of the top 25% of farms ranked by FBI/farm, the "low" group of farms and the bottom quartile with the "medium" the middle two quartiles.

Figure 3 also distinguishes between the Agriculture Business Income (ABI) (derived solely from the agricultural enterprises, and excluding environmental, diversification and the Basic Payment Scheme (BPS)) and the Farm Business Income (which includes environmental, diversification and BPS payments). Hence, the difference between the two measures indicates the contribution of the strictly non-agricultural 'enterprises' in the farm business – the environmental schemes, diversification income and BPS payments. As can be seen, only the "high" performers return a positive agricultural income. The "medium" group manages to offset these agricultural losses by the incomes earned through environmental and diversification activities and the BPS, but the lowest quartile is unable to recoup these losses and returns a negative FBI. In general, the better performing farms are larger, approaching three times the farmed area and make greater incomes from their agri-environmental activities.

Figure 3 Farm Business Income and Unpaid labour per hectare by Cost Centre, by Performance Band, 2023-24



	Low	Medium	High
Agriculture	-249	-117	19
Agri-environment	33	77	109
Diversification	4	39	36
Basic Payment Scheme	75	102	100
Total FBI	-136	101	264
Value of unpaid labour	316	255	110

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Figure 4 shows the business performance by size, measured here by the Standard Labour Requirement (SLR) and illustrates that size is important to these farms' earning ability.

This figure dramatically demonstrates the weak position of production agriculture to LFA farms with none of the farm sizes making a positive contribution from agriculture. The reliance on the Basic Payment Scheme and Agri-environment incomes is also illustrated, although it is these income streams that rescues all farms from economic failure.

Only the Very Large farms produce a Farm Business Income greater than the value of unpaid labour. A full explanation of the derivation and boundaries of the SLR size bands is given in Appendix 1 and more data can be seen in Appendix 2.

Figure 4 Farm Business Income and Unpaid labour per farm by Cost Centre, by size of farm, 2023-24

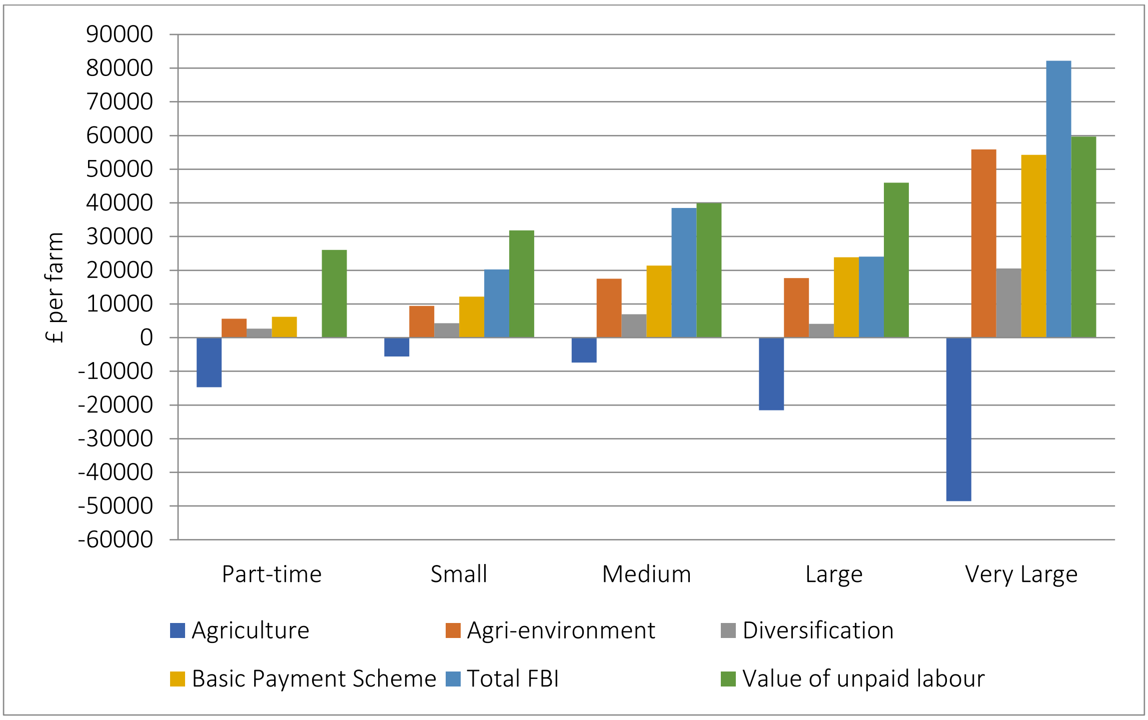


Table 6 Farm Business Income and Basic Payment Scheme, 2023-24

	All Farms	Part-time	Small	Medium	Large	Very Large
	£ per farm					
Farm Business Income	23,505	-201	20,248	38,473	24,045	82,184
Basic Payment Scheme received	19,172	7,326	13,621	23,538	26,455	61,499
Farm Business Income less BPS	4,333	-7,528	6,626	14,935	-2,409	20,685
Private drawings	27,879	14,241	23,967	24,338	44,952	69,301
Value of unpaid labour	35,599	26,075	31,851	39,898	46,015	59,671
Change to external funding	-8,595	-27,447	5,764	-19,381	11,605	-21,291

It has already been highlighted that the value of unpaid labour used during 2023-24 is greater than the Farm Business Income generated by the business in all businesses except the Very Large farms

(Table 6). The same can be said for the level of private drawings taken out of the business relative to income. The private drawings taken out of the business is less than the value of the unpaid labour for those farms which are classified as Large or smaller.

The financing of capital investments, an average of close to £21,000 in 2023-24, required the introduction of private funds, £19,000, but with a decrease in external funds of £8,500 for the average farm.

Figure 5 shows the business performance by LFA farm type. The SDA farms all make a loss from Agriculture and the contributions from Agri-environment and Basic Payment Scheme are linked to the area of land farmed by each LFA farm type. The Specialist Sheep (SDA) farms are the largest farms, on average 262 hectares, followed by the Mixed Grazing Livestock (SDA) farms with the Specialist Beef (SDA) farms the smallest at 162 hectares.

The Various Grazing Livestock (DA) farms are the smallest of the LFA farms at 111 Ha, but they are predominantly 'lower' down the hill with more favourable climate conditions and soils. They break even from Agriculture but have less opportunities with regards to Agri-environment incomes.

Only the SDA Sheep farms have total Farm Business Income greater than the value of the unpaid labour within their businesses. More details can be found in Appendix 3.

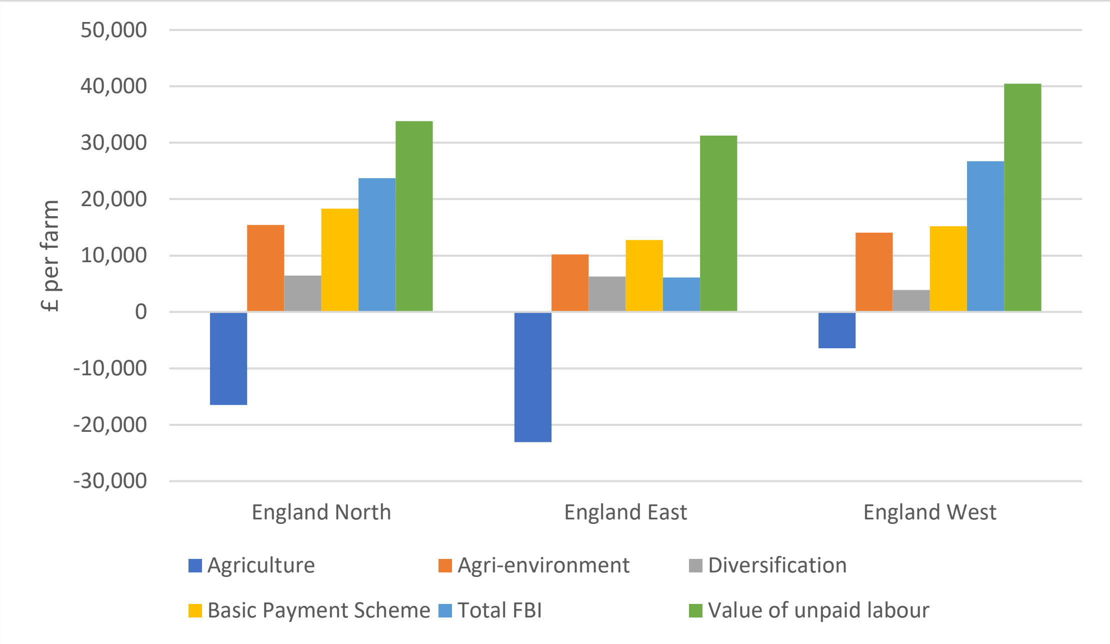
Figure 5 Farm Business Income and Unpaid labour per farm by cost centre, by LFA farm type, 2023-24

	Specialist Sheep (SDA)	Specialist Beef (SDA)	Mixed grazing livestock (SDA)	Various grazing livestock (DA)
Agriculture	-18,113	-32,376	-20,052	-345
Agri-environment	20,374	19,626	16,702	7,308
Diversification	6,892	9,451	3,789	4,729
Basic Payment Scheme	21,404	17,699	18,149	12,716
Total FBI	30,557	14,400	18,588	24,408
Value of unpaid labour	35,247	31,219	38,121	35,732

Agriculture, Agri-environment, Diversification, Basic Payment Scheme, Total FBI, Value of unpaid labour

Figure 6 shows the same business performance measures by FBS Region. The average LFA farm in England North is considerably larger but most of the difference is more rough grazing. They keep similar numbers of livestock units with more sheep and less cattle than LFA farms in England East or West – which will partly explain the differences in regional profitability. The England West have higher income from Agri-environment and Basic Payment Scheme on a per hectare farmed basis. More details can be found in Appendix 4.

Figure 6 Farm Business Income and Unpaid labour per farm by cost centre, by England Region, 2023-24



LFA Enterprise Gross Margins[5]

The major livestock enterprises on LFA grazing farms are suckler cows, typically producing store cattle (for finishing in the lowlands) and Hill and Upland sheep flocks, typically producing cross-bred ewe lambs (supplying the lowland flocks with breeding stock) and store lambs (also for finishing in the lowlands). Where conditions allow some cattle and lamb finishing also occurs on LFA farms. Enterprise margins for LFA sheep are shown in Table 7 and Figure7. Upland sheep flocks are those with lambing

[5] Most of the farms within the sample can calculate gross margins for their enterprises. **Enterprises with small numbers of farms have not been included.** Where the sample sizes allow, top third group figures (weighted total population) are also produced. Sample sizes are small for some of these analyses and standard error bars have been included in the figures to indicate the accuracy of the estimate of the mean. Error bars are shown on 95% confidence intervals as a measure of the uncertainty that may apply to the estimated means. These signify that we are 95% confident that this range contains the true value. They are calculated as the standard error (se) multiplied by 1.96 to give the 95% confidence interval (95% CI)

rates typically more than 100% and more typically found on lower altitude than Hill sheep flocks (lambing rates typically less than 100%).

Table 7 –LFA Ewe Gross Margin data

					2023/24
Gross margins per ewe and per hectare		Upland		Hill	
(Weighted average performance)		Average	Top Third*	Average	Top Third*
Number of flocks		79	31	55	18
Ewes per flock		559	655	467	469
Average lamb sale price - £/lamb		108	116	110	114
Stocking rate - ewes per hectare		4.4	5.7	3.8	4.0
		£ per head			
Output -	lambs	137.1	176.5	106.1	148.1
	wool	0.6	0.8	0.8	0.8
	depreciation	-14.4	-8.0	-15.7	-13.2
ENTERPRISE OUTPUT (excl. BLSA)		123.3	169.3	91.1	135.8
Concentrates		23.7	22.5	18.5	22.0
Coarse fodder		4.2	2.5	3.2	3.8
Veterinary and medicines		9.4	9.6	8.0	10.3
Other livestock costs		13.6	14.3	11.3	12.7
Forage †		7.1	6.8	5.9	8.0
TOTAL VARIABLE COSTS ‡		57.9	55.7	47.0	56.8
GROSS MARGIN per ewe (excl. BLSA)		65.4	113.6	44.2	79.0
GROSS MARGIN per LU (excl. BLSA)		559	890	399	672
GROSS MARGIN per hectare (excl. BLSA)		291	644	168	312
Concentrates per £100 output		19	13	20	16
Averages - previous year					
Gross Margin per ewe (excl. BLSA)		62.3	107.9	36.0	85.7
Gross Margin: £/ha		264	582	167	550
* Top Third of Weighted Population					
† Forage includes seeds, fertilisers, sprays and other crop costs					
‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.					

The average gross margin per ewe for the 2023-24 year is little changed for the Upland flocks as compared to the previous year with the Hill flocks seeing a 23% increase. The top third producers for the Upland flocks have broadly similar variable costs, but higher output and gross margins 74% higher than the average. The top third producers for the Hill flocks have higher variable costs, closer to the level of the Upland flocks, but also higher output and gross margins 79% higher than the average.

Figure 7 –LFA Ewe Gross Margin, 2022-23 and 2023-24

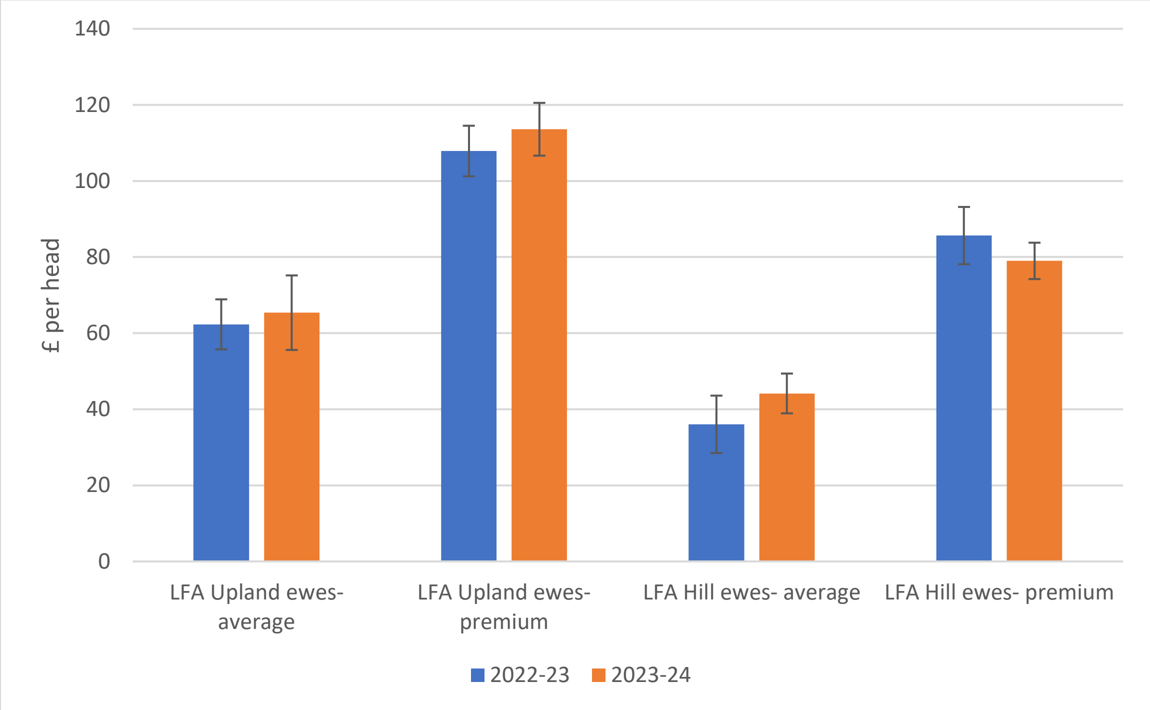
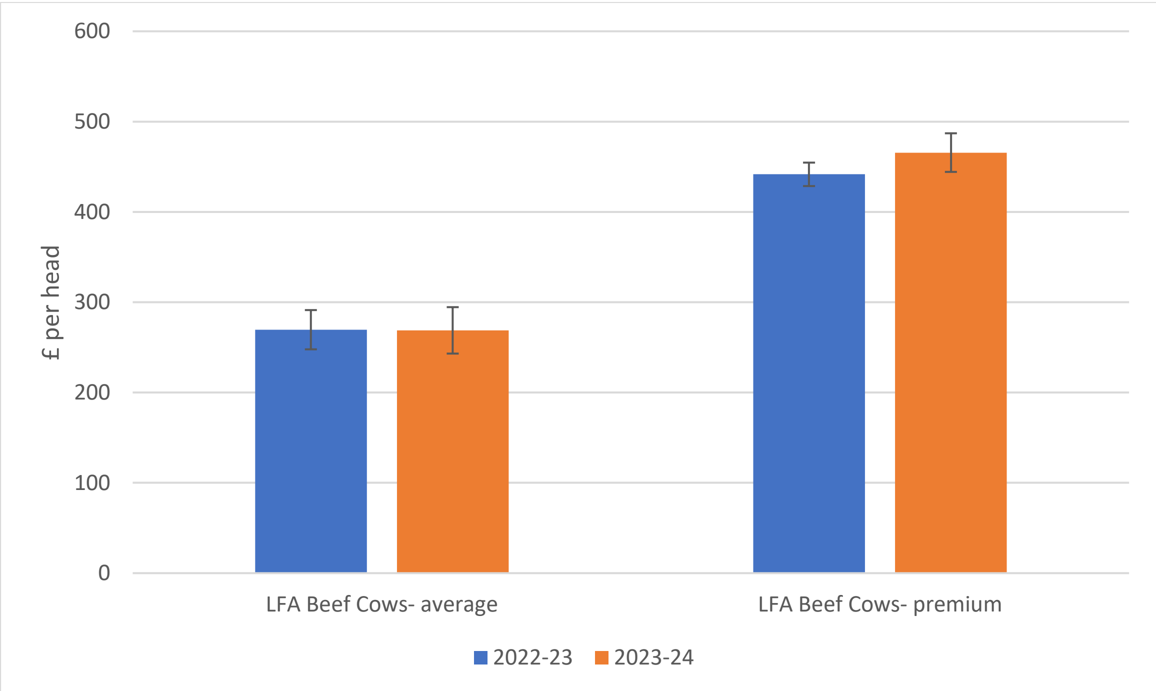


Figure 8 –LFA Suckler Cow Gross Margin, 2022-23 and 2023-24



LFA suckler cow gross margins are shown in Figure 8 and Table 8. The average LFA suckler cow gross margin per cow is unchanged between 2022-23 and 2023-24 but the top third producers showed a slight improvement (5%) between years. There performance per cow is 73% higher than the average producer.

Table 8 –LFA Suckler Cow Gross Margin data

Gross margins per cow, per LU and per hectare			2023/24
(Weighted average performance)		Average	Top Third*
Number of farms		112	37
Cows per herd		44	44
Stocking rate:	LU/ha	0.59	0.48
	ha/LU	1.69	2.08
		£ per cow	
Output -	calf output	533.2	649.4
	depreciation	-14.9	-5.2
ENTERPRISE OUTPUT (excl. BLSA)		518.2	644.2
Concentrates		71.0	35.3
Coarse fodder		23.2	24.4
Veterinary and medicines		32.4	27.8
Other livestock costs		60.7	58.4
Forage †		62.0	32.7
TOTAL VARIABLE COSTS ‡		249.4	178.5
GROSS MARGIN per cow (excl. BLSA)		268.8	465.7
GROSS MARGIN per LU (excl. BLSA)		270	466
GROSS MARGIN per hectare (excl. BLSA)		159	223
Concentrates per £100 output		14	5
Averages - previous year			
Stocking rate:	*LU/ha*	*0.62*	*0.75*
Gross Margin: £/cow		*270*	*442*
Gross Margin: £/ha		*166*	*332*
* Top Third of Weighted Population			
† Forage includes seeds, fertilisers, sprays and other crop costs			
‡ Restricted to concentrates, coarse fodder, veterinary and medicines, other livestock costs and forage.			

Appendix 1 The Farm Business Survey (FBS)

General

The FBS sample covers businesses with an economic Standard Output of 25,000 Euros and above. Practically all the sampled accounts close within the four months from the end of December to the end of the following April with concentrations at the close of the calendar year and towards the end of March and early April. About 75 per cent of the accounts close during these two peak periods. Thus, the results relate, on average, to March- February years.

Classification of survey farms by type of farming and size of business

A revised classification of farm types was introduced in 2010/11 based on Standard Outputs, which caused changes to the distribution of farms by farm type. Further details of the revised classification and its effect on the FBS sample may be found at: https://www.gov.uk/farm-business-survey-technical-notes-and-guidance

The lower size threshold for the Farm Business Survey was also changed from 0.5 Standard Labour Requirements (in annual full-time equivalents) to a standard output of 25,000 Euros. Therefore, the results published here relate to farms for which the total standard output from cropping and stocking activities is at least 25,000 Euros.

The Standard Labour Requirement (SLR) of a farm represents the normal labour requirement, in Full Time Equivalents, for all the enterprises on a farm under typical conditions. The SLR for a farm is calculated from standard coefficients applied to each enterprise on the farm. The standard coefficients represent the input of labour required per head of livestock or per hectare of crops for enterprises of average size and performance.

Farms in the sample are grouped by type of farm based on the EC system of classification defined by Commission Decision 1242/2008 (with minor modifications to adapt it to United Kingdom conditions) and Standard Outputs per hectare of crop area and per head of livestock estimated over the period 2008-2012.

The Standard Output (SO) is a financial measure used to classify farm type. Standard outputs measure the total value of output of any one enterprise - per head for livestock and per hectare for crops. For crops, this will be the main product (e.g. wheat, barley, peas) plus any by-product that is sold, for example straw. For livestock it will be the value of the main product (milk, eggs, lamb, pork) plus the value of any secondary product (calf, wool) minus the cost of replacement. Up until 2010, standard gross margins were used for the classification of farms. The difference between standard outputs and standard gross margins is that no variable costs are deducted in the derivation of standard outputs. Each farm is assigned a total SO by aggregating the SOs for its agricultural enterprises. The farm is classified into a 'particular' type of farming by evaluating the proportion of its total SO deriving from different enterprises.

From 2023/24, the classification of farms is based on 2017 standard output (SO) coefficients. 2022/23 results have been recalculated and presented in this report on 2017 SO coefficients to allow comparability between 2022/23 and 2023/24[6]. The results published here are therefore not directly comparable with those published in reports in earlier years which are based on previous SO

[6] https://www.gov.uk/guidance/changes-to-farm-typology-use-of-2017-standard-output-coefficients

coefficients. Results for 2022/23 based on the previous SO coefficients can be found at: [FBS Region Reports]

The characteristics of each farm type are summarised as follows:-

Cereals- Farms on which cereals, oilseeds, peas and beans harvested dry account for over two-thirds of their total SO (holdings with more than two-thirds of their total SO in set-aside are excluded from the survey results).

General cropping- Farms with over two-thirds of their total SO in arable crops (including field scale vegetables) or a mixture of arable and horticultural crops; and holdings where arable crops account for more than one-third of total SO and no other grouping accounts for more than one-third.

Dairy-Farms where the dairy enterprise, including followers, accounts for over two-thirds of their total SO.

LFA grazing livestock-Farms with more than two-thirds of their total SO in cattle and sheep except holdings classified as dairy. A farm is classified as in the LFA if 50% or more of its total area is in the Less Favoured Area (both Disadvantaged and Severely Disadvantaged).

Lowland grazing livestock-Farms with more than two-thirds of their total SO in cattle and sheep except holdings classified as dairy. A farm is classified as "lowland" if less than 50% of its total area is in the Less Favoured Area.

Horticulture- Holdings on which fruit (including vineyards), hardy nursery stock, glasshouse flowers and vegetables, market garden scale vegetables, outdoor bulbs and flowers, and mushrooms account for more than two thirds of their total SO.

Specialist pigs- Farms on which pigs account for over two-thirds of their total SO.

Specialist poultry -Farms on which poultry account for over two-thirds of their total SO.

Mixed farms- Farms where crops account for one-third, but less than two-thirds of total SO and livestock accounts for one-third, but less than two-thirds of total SO. It also includes holdings with mixtures of cattle and sheep and pigs and poultry and holdings where one or other of these groups is dominant, but does not account for more than two-thirds of the total SO.

Farm business size in the United Kingdom is measured in Standard Labour Requirements (SLR) expressed in terms of full-time equivalents. Five size groups are defined for this report:

Part-time (less than 1 SLR)
Small (greater than or equal to 1 less than 2 SLR)
Medium (greater than or equal to 2 less than 3 SLR)
Large (greater than or equal to 3 less than 5 SLR)
Very Large (greater than or equal to 5 SLR)

Farms are allocated to performance bands according to total farm output divided by total farm costs. The farms are then ranked and allocated to groups representing 25, 50 and 75 percentiles: equivalent to low, medium and high performance bands.

Weighting Procedure

All results in this report are weighted to provide estimates for the population. The weights are based on the ratio of numbers of businesses in the population (as given by the June Survey) and in the sample within each farm type and size group. These weights are then further refined by a calibration process

using information from sources other than the Census (mostly administrative data). For more information on the FBS weighting procedure and other statistical issues, please see:
https://www.gov.uk/farm-business-survey-technical-notes-and-guidance

Definition of Terms

Utilised agricultural area is the crop area, including fodder, set-aside land, temporary and permanent grass and rough grazing in sole occupation (but not shared rough grazing) i.e. the agricultural area of the farm. It includes bare land and forage let out for less than one year.

Total area of farm is the utilised agricultural area plus woodland and other areas of the farm not used for agriculture (e.g. buildings, roads, water, and household gardens).

Total tillage comprises the utilised agricultural area, plus bare land and forage hired in from others in the accounting period, minus temporary and permanent grass and rough grazing in sole occupation (but not shared rough grazing).

Total area farmed comprises the total area of the farm minus woodlands and buildings, etc. plus net land hired in.

Adjusted utilised agricultural area comprises the utilised agricultural area with rough grazing in sole occupation converted to a permanent pasture equivalent.

Stocking figures are the average annual level of stocking based on estimated average livestock numbers on the farm for the year, including fractions for livestock on the farm for less than a year.

Total livestock units are used as an approximate measure of stocking intensity and are based on the estimated energy requirements of different species and ages of livestock. A summary of the main livestock units is shown below.

Dairy cows	1.00 LU	Beef Cows	0.75 LU	Heifers in calf	0.80 LU
Cattle over 2 years	0.80 LU	Cattle 1-2 years	0.65 LU	Cattle 0-12 months	0.34 LU
Bulls	0.75 LU	Lowland Ewes	0.10 LU	Upland Ewes	0.08 LU
Hill Ewes	0.06 LU	Store lambs	0.04 LU	Rams	0.08 LU

Annual labour units (ALU) are the estimated number of full-time worker equivalents of persons working on the holding during the year. Part-time workers are converted to full-time equivalents in proportion to their actual working time related to that of a full-time worker. One ALU represents one person employed for 2,200 hours.

Enterprise output is the main measure of individual crop and livestock output. It comprises:

(a) ***Cash crop enterprise output***, which is the total value of cash crops produced by the farm (other than losses in the field and in store) including *direct crop subsidies* due. It includes crops used for feed and seed by the farm business and those consumed in the farmhouse and by farm labour. Crop enterprise output is calculated on a "harvest year" as distinct from an "accounting year" basis; that is, it refers only to those crops (except for certain horticultural crops) wholly or partly harvested during the accounting year and excludes any crop carried over from the previous year. Thus, valuation changes (between the previous and current crops) are not relevant, and the total harvested yield of the crop is valued at market prices (plus any subsidies). However, any difference between the opening valuation of any stocks of previous crops and their ultimate disposal value (sales, used on farm and any end-year stocks) is included in total farm output and net farm income.

(b) ***By-products, forage and cultivations***, which cover the value of output of the by-products of agricultural activity, sales of fodder, valuation changes for fodder and cultivations. It also covers revenue from the letting of bare land or forage on a short-term lease.

(c) ***Livestock enterprise output*** comprises the total sales of livestock and livestock products, part of the valuation change (see below), produce consumed in the farmhouse and by labour and the value of milk and milk products fed on the farm (excluding direct suckling) adjusted for debtors at the beginning and end of the year and transfers between enterprises; less purchases of livestock and livestock products from outside the farm business. Stock appreciation for breeding livestock (cattle, sheep and pigs) has been excluded from individual livestock enterprise outputs. However, changes in the numbers of breeding livestock between the opening and closing valuation and the total valuation change of trading livestock are included. Unlike crop enterprise output, livestock enterprise output is calculated on an accounting year basis.

(d)*Rental Income* comprises the renting-out of farm cottages and other buildings, where these are inseparable from the main farm account.

(e) ***Contract work*** includes returns from the use of farm resources for hire work

(f) ***Miscellaneous output includes*** returns from recreational activities, added value activities, the private share of the rental of the farmhouse and the value of any farm labour or other inputs used for producing capital assets for the farm.

Total farm output is the sum of crop and livestock enterprise output, income from the Agri-environment schemes, Basic payment scheme and miscellaneous output, and the adjustment for previous years' crops. It excludes breeding livestock stock appreciation.

Inputs comprise payments and the estimated value of non-cash inputs, including home-grown feed and seed, adjusted for changes in stocks and creditors between the beginning and end of the year. The appropriate share of any input not used entirely by the farm business is deducted.

Total variable costs

These are taken to be costs of feed, veterinary fees and medicines, other livestock costs, seeds, fertilisers, crop protection and other crop costs.

Concentrate feed includes (a) bought compounds and grains, sugar beet pulp, proteins, milk powder, animal and plant proteins, additives, minerals and vitamins; and (b) home produced cereals, beans, peas, milk and milk products, valued at the average ex-farm price.

Purchased Fodder includes purchased bulk feeds such as potatoes, vegetable residues, wet brewers' grains, hay and feed straw, and agistment. It does not include forage produced on the holding. Payments for grass keep and bare land are shown with land charges.

Veterinary fees and medicines consist of veterinary fees and the cost of all medicines.

Other livestock costs include all expenditure relating directly to livestock production such as freeze branding, AI fees, milk tests, breed society fees, dairy and other detergents, packing materials, bedding straw, show expenses, processing and marketing charges, disposal of casualties, etc.and other livestock costs not separately identified.

Seeds This comprises expenditure on purchased seeds, plants and trees adjusted for changes in stocks. Home-grown seed from the previous crop is included and charged at estimated market price: any seeds from current crops and sown for a succeeding crop are excluded but are included in the closing valuation of the crop and hence in enterprise output. This enables the value of homegrown seed used in the production of the current crop to be identified.

Fertilisers This includes lime, fertilisers and other manures, and is adjusted for changes in stock. Fertilisers sown for next year's crops are treated as if they were still in store and are included in the closing valuation.

Crop protection This includes costs of pre-emergent sprays, fungicides, herbicides, dusts and insecticides and other crop sprays.

Other crop costs include all expenditure relating directly to crop production such as packing materials, baler cord, soil analyses, crop competition costs, polythene (for tunnels), all storage and market preparation costs, purchase of standing crops, marketing charges, soil sterilisation, etc. It also includes the cost of renting bare land (for growing cash crops) for less than one year.

Total fixed costs

These are the costs of labour, machinery, contract work, land and buildings, other general farming costs and depreciation.

Labour (excluding farmer and spouse) costs include all work in connection with the normal running of the holding including field work, livestock husbandry, market preparation, maintenance, transport and other related operations. They exclude work to produce fixed assets (construction or repairs of buildings and machinery, etc.), domestic work and business travel/professional meetings, etc. 'Unpaid' labour is valued at the appropriate rate for the work done. The value of the manual labour of the farmer and spouse is not charged as an input in calculating net farm income.

Contract costs These costs include expenditure on work carried out by agricultural contractors, including the costs of materials employed, such as fertilisers, unless these can be allocated to the specific heading. Costs of hiring machines to be used by the farm's own labour are also included. Expenditure on contract labour is only included here if it is associated with the hiring of a machine. Otherwise, it is entered under (casual) labour.

Machinery costs relate to all machinery and equipment items, which originally cost more than £500, including the farm *share* of road vehicles. Depreciation is calculated on a replacement cost basis (broadly equivalent to 15% of current replacement costs). Repairs are recorded net of insurance receipts.

Land expenses include tenant-type repairs and land upkeep costs as Property repairs, the actual rents paid by tenant farmers and drainage rates where incurred. Payments for grass keep and bare land are also included. For land and buildings owned a 'rental value' is included based on similar payments made by tenants in similar circumstances.

General overheads include the farm share of electricity, heating fuel, water, insurance (including labour and buildings insurance) and professional fees. Bank charges, secretarial costs, consultancy fees and other sundry costs (such as subscriptions, telephone, postage, stationery, etc.) are included in Other general costs.

Net Farm Income (NFI) is intended as a consistent measure of the profitability of tenant-type farming which allows farms of different business organisation, tenure and indebtedness to be compared. It represents the return to the farmer and spouse alone for their manual and managerial labour and on the tenant-type capital invested in the farm business.

To represent the return to farmer and spouse alone, a notional deduction is made for any unpaid labour provided by non-principal partners and directors, their spouses and by others; this unpaid labour is valued at average local market rates for manual agricultural work.

To confine the measure to the tenant-type activities and assets of the business, an imputed rent is deducted for owner-occupied land and buildings and for landlord-type improvements made by the tenant. No deduction is made for interest payments on any farming loans, overdrafts or mortgages; interest earned on financial assets is also excluded.

Because of these two restrictions, NFI is not a proxy for farm business income; other measures, such as Net Profit and Family Farm Income should be used instead. Nor is it a proxy for farm household income both because NFI does not accurately represent the farmer and spouse share of the business and because it takes no account of any income from off-farm sources.

Breeding livestock stock appreciation represents the change in market prices of breeding cattle, sheep and pigs between the opening and closing valuations.

Farm business income (FBI) for sole traders and partnerships represents the financial return to all unpaid labour (farmers and spouses, non-principal partners and directors and their spouses and family workers) and on all their capital invested in the farm business, including land and buildings. It is defined as Total Farm Output (TFO) plus profit / loss on sale of assets minus cost (C): where TFO is defined as the sum of output from: crop enterprises, adjustment for disposal of previous crops, livestock enterprises, separable non-agricultural diversification, Basic farm payment, agri-environmental payments, other grants and subsidies, miscellaneous receipts; C is defined as variable costs plus fixed costs. Note that prior to 2008/09 directors' remuneration was not deducted in the calculation of farm business income. For corporate businesses it represents the financial return on the shareholders capital invested in the farm business. It is used when assessing the impact of new policies or regulations on the individual farm business. Although Farm Business Income is equivalent to financial Net Profit, in practice they are likely to differ because Net Profit is derived from financial accounting principles whereas Farm Business Income is derived from management accounting principles. For example, in financial accounting output stocks are usually valued at cost of production, whereas in management accounting they are usually valued at market price. In financial accounting depreciation is usually calculated at historic cost whereas in management accounting it is often calculated at replacement cost.

Farm corporate income represents the return on own capital invested in the farm business, to risk and to entrepreneurship. It is derived by deducting unpaid labour, both manual and managerial, from Farm Business Profit. This allows the profitability of sole traders and partnerships to be compared directly with that of other companies. Currently we can deduct an estimate of unpaid manual labour but not of unpaid managerial labour and so the data are only approximate. However, we plan to undertake a research project to produce a method for deriving an estimate of unpaid managerial labour, so that we can produce better data for this measure in future.

Farm investment income represents the return on ***all*** capital invested in the farm business ***whether borrowed or not***, to risk and to entrepreneurship. It is a general measure of the profitability of farming as an activity rather than of a particular business.

It is derived by adding net interest payments to Farm Corporate Income. Since currently the data for Farm Corporate income are only approximate, so too are the data for Farm Investment Income.

Balance Sheet Tables

Total fixed assets include milk and livestock quotas, as well as land, buildings, breeding livestock, and machinery and equipment. For tenanted farmers, assets can include farm buildings, cottages, quotas, etc., where these are owned by the occupier.

Bank term loans and ***other long and medium term loans*** are loans which exceed 12 months.

Net Worth represents the residual claim or 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 these assets have been met.

Appendix 2 Grazing Livestock (LFA) details, by size of business

Financial details, 2023/24	Size of business				
	Part-time	Small	Medium	Large	Very Large
Number of farms in group	21	48	34	40	29
Average farmed area (hectares)	62.7	87.3	242.6	274.2	652.8
Average % of owned total farmed area	87%	53%	64%	49%	33%
	£ per farm				
Output					
Cattle	17,375	30,077	33,304	74,811	112,454
Sheep	9,251	35,790	42,289	77,877	192,505
Other livestock	454	112	1,775	46	128
Crops	96	169	241	4,592	21,081
Forage	1,831	914	2,676	1,500	1,106
Environmental schemes	7,112	11,417	20,294	20,889	66,739
Basic Payment Scheme	7,326	13,621	23,538	26,455	61,499
Rental income	3,126	1,953	2,706	1,752	15,004
Contract work	5,280	4,852	11,552	4,334	2,417
Renewable energy production	125	564	1,750	1,817	2,551
Miscellaneous output	2,835	5,060	5,745	5,005	11,089
Total Farm Output	54,811	104,530	145,869	219,077	486,572
Variable costs					
Concentrates	5,853	14,299	17,570	33,892	59,882
Purchased fodder	637	2,218	2,230	3,284	9,890
Veterinary and medicines	2,205	4,000	4,945	7,897	19,617
Other livestock costs	4,221	7,783	10,212	18,468	35,138
Seeds	80	587	244	1,240	3,952
Fertilisers	1,189	3,177	3,935	10,150	20,712
Crop protection	129	195	534	882	3,097
Other crop costs	473	276	712	1,544	1,866
Total Variable Costs	14,788	32,536	40,381	77,357	154,154
Gross Margin	40,023	71,994	105,488	141,720	332,419
Fixed costs					
Paid labour	1,912	2,715	4,360	11,613	46,871
Contract	2,725	4,294	5,248	6,779	32,367
Machinery repairs	2,858	5,043	6,022	10,585	17,426
Machinery fuel	2,863	4,517	6,214	9,504	15,256
Machinery depreciation	5,722	6,631	11,957	20,846	26,657
General costs	10,576	11,441	15,384	20,698	30,910
Property maintenance	3,932	4,628	5,214	6,679	12,382
Rent, hired in keep and bare land	2,377	4,930	5,729	11,399	33,827
Buildings depreciation	2,381	3,472	2,785	6,128	11,373
Interest	4,879	4,075	4,103	13,444	23,165
Total Fixed Costs	40,225	51,746	67,015	117,675	250,235
FARM BUSINESS INCOME	**-201**	**20,248**	**38,473**	**24,045**	**82,184**
All unpaid labour	26,075	31,851	39,898	46,015	59,671
Equals - FARM CORPORATE INCOME	-26,276	-11,604	-1,425	-21,970	22,513
Plus - Net Interest	4,844	3,999	4,100	13,262	23,106
Equals - FARM INVESTMENT INCOME	-21,432	-7,605	2,675	-8,707	45,619

Alternative Income Measures, 2023/24						
		Size of Business				
		Part-time	Small	Medium	Large	Very Large
Reconciliation between Net Farm Income and Farm Business Income						
	FARM BUSINESS INCOME	-201	20,248	38,473	24,045	82,184
Plus-	Directors remuneration	1,475	22	507	613	804
Less-	Net income from assets associated with the farm business	0	0	0	0	0
Plus-	Buildings and works depreciation	2,381	3,472	2,785	6,128	11,373
Plus-	Landlord type expenses	545	460	461	805	1,590
Plus-	Imputed rental income	170	456	284	506	1,908
Less-	Imputed rent and rental value	9,077	10,291	18,114	20,831	42,642
Plus-	Net Interest	4,844	3,999	4,100	13,262	23,106
Less-	Unpaid labour of partners	748	4,250	7,670	11,065	24,770
Equals-	NET FARM INCOME**	-610	14,115	20,826	13,464	53,554

** Excluding Breeding Livestock Stock Appreciation

Land Use and Indicators of Technical Efficiency, 2023/24					
	Size of Business				
	Part-time	Small	Medium	Large	Very Large
Number of farms in group	21	48	34	40	29
Average farmed area (hectares)	62.7	87.3	242.6	274.2	652.8
Average proportion of owned total farmed area(%)	87%	53%	64%	49%	33%
Land use					
Area of crops	0.1	0.1	0.3	3.1	14.8
Temporary grass	0.8	4.2	1.0	7.7	44.1
Permanent grass	42.3	60.1	129.6	134.2	312.8
Fodder crops	0.0	0.7	0.2	1.0	4.9
Rough grazing	17.2	16.6	103.1	118.7	253.5
Uncropped, fallow and turf	0.0	0.2	1.1	0.1	3.2
Forage hired in	2.2	5.3	7.3	9.4	19.4
Stocking					
Average number of dairy cows	0	0	0	2	1
Average number of beef cows	8	13	19	44	90
Average number of other cattle	30	39	49	96	149
Average number of ewes	101	279	404	646	1723
Average number of other sheep	66	261	391	556	1576
Grazing livestock units	GLUs per farm				
Dairy cows	0.0	0.0	0.1	2.2	1.0
Beef cows	4.2	6.3	9.4	22.1	45.0
Other cattle	18.9	24.2	29.9	59.9	97.8
Sheep	9.0	29.7	43.0	65.1	174.9
Other livestock	0.9	0.5	0.2	1.6	2.0
Total	32.9	60.7	82.6	150.8	320.7
GLUs per ha	0.53	0.70	0.34	0.56	0.51
GLUs per adjusted ha	0.86	0.66	0.45	0.77	0.67

Balance Sheet, 2023/24	Size of business				
(end of year)	Part-time	Small	Medium	Large	Very Large
Number of farms in group	21	48	34	40	29
Average farmed area (hectares)	62.7	87.3	242.6	274.2	652.8
Average proportion of owned total farmed area	87%	53%	64%	49%	33%
	£ per farm				
End of year assets & liabilities					
Land & buildings	739,774	815,596	1,359,306	1,538,226	2,945,175
Basic Payment Scheme	5,423	10,061	16,647	18,469	40,692
Machinery	46,633	61,140	104,590	170,814	205,977
Tenant's other assets	332	6,737	725	12,704	76
Breeding livestock	22,051	56,204	82,195	150,178	351,051
Total fixed assets	**814,213**	**949,737**	**1,563,463**	**1,890,392**	**3,542,970**
Trading livestock	22,591	27,908	39,529	74,032	135,172
Crops	27	27	116	1,815	9,328
Forage and cultivations	2,373	2,371	2,959	7,083	14,349
Stores	1,169	3,700	2,895	7,962	9,414
Debtors and loans	2,188	4,033	5,903	7,817	25,774
Bank credit and cash	14,027	16,945	37,340	31,668	55,728
Other current assets	0	0	0	0	0
Total current assets	**42,374**	**54,984**	**88,742**	**130,378**	**249,765**
Total assets	**856,587**	**1,004,721**	**1,652,205**	**2,020,770**	**3,792,736**
Financed by					
AMC	13,413	27,668	10,787	103,641	85,321
Bank loans	39,437	38,654	54,906	76,080	150,615
Other long term	16,490	2,042	1,071	8,751	50,297
Total long term	**69,340**	**68,365**	**66,764**	**188,472**	**286,233**
HP and lease	1,657	3,038	6,965	7,486	4,823
Creditors	4,267	6,615	8,827	11,467	22,871
Bank overdraft	6,902	15,184	6,070	19,634	94,795
Other short term	7	0	0	210	367
Total current liabilities	**12,833**	**24,837**	**21,862**	**38,797**	**122,856**
Total Liabilities	**82,173**	**93,202**	**88,626**	**227,269**	**409,089**
Net worth	**774,414**	**911,519**	**1,563,579**	**1,793,500**	**3,383,647**
Balance sheet ratios-					
% Owner equity (net worth v. total assets)	90%	91%	95%	89%	89%
% Fixed assets vs. total assets	95%	95%	95%	94%	93%
Gearing (long-term loans v. total assets)	8%	7%	4%	9%	8%
Total debt (external liabilities v.net worth)	11%	10%	6%	13%	12%

FUND FLOWS, 2023/24	Size of Business				
	Part-time	Small	Medium	Large	Very Large
Number of farms in group	21	48	34	40	29
Average farmed area (hectares)	62.7	87.3	242.6	274.2	652.8
Average proportion of owned total farmed area(%)	87%	53%	64%	49%	33%
	£ per farm				
Funds available from trading					
Farm Business Income	-201	20,248	38,473	24,045	82,184
Buildings and works depreciation	2,381	3,472	2,785	6,128	11,373
Machinery depreciation	5,722	6,631	11,957	20,846	26,657
Change in valuation *	2,121	-4,019	1,436	-19	11,166
Trading net fund flow surplus	10,024	26,332	54,651	51,000	131,380
Funds used for farm investments					
Net property and quota purchases	97	6,102	-3,882	18,715	14,205
Net landlord capital purchases	1,062	3,019	2,238	3,785	14,344
Net machinery and equipment purchases	7,362	10,168	12,803	24,020	19,169
Capital net fund flow	8,521	19,289	11,159	46,520	47,718
Total farm fund flow surplus	1,503	7,042	43,492	4,480	83,662
Funds used for private expenditure					
Private drawings	14,241	23,967	24,338	44,952	69,301
Net private funds introduced	40,185	11,162	227	28,867	6,930
Private fund outflow	-25,944	12,806	24,111	16,085	62,371
Total net fund flow surplus	**27,447**	**-5,764**	**19,381**	**-11,605**	**21,291**
Increase in loans and deposits	-30,345	-1,972	-11,250	-6,762	-10,571
Increase in bank balance	-555	-6,755	5,853	-17,093	14,296
Increase in cash in hand	0	-159	0	4	0
Increase in debtors	-1,319	-817	-304	-931	-20,495
Increase in creditors	1,024	5	-2,582	347	-16,919
Net change in funding	**-27,447**	**5,764**	**-19,381**	**11,605**	**-21,291**
* An increase in valuation is represented as a negative, with funds being used to increase the live and deadstock valuation					

Appendix 3 Grazing Livestock (LFA) details, by LFA farm type

Financial details, 2023/24	Farm type			
	Specialist sheep (SDA)	Specialist beef (SDA)	Mixed grazing livestock (SDA)	Various grazing livestock (DA)
Number of farms in group	24	36	65	47
Average farmed area (hectares)	261.6	162.3	179.8	110.8
Average % of owned total farmed area	48%	68%	51%	49%
	£ per farm			
Output				
Cattle	10,701	61,680	44,279	51,426
Sheep	60,158	20,201	41,316	54,122
Other livestock	47	93	687	710
Crops	0	3,261	938	5,340
Forage	281	925	1,704	2,517
Environmental schemes	24,049	24,054	20,071	8,838
Basic Payment Scheme	24,082	19,410	20,850	14,165
Rental income	3,657	4,027	3,397	3,359
Contract work	5,721	6,365	5,360	5,607
Renewable energy production	796	1,715	990	756
Miscellaneous output	6,777	10,426	2,980	3,364
Total Farm Output	136,268	152,156	142,574	150,205
Variable costs				
Concentrates	13,655	21,249	21,253	20,468
Purchased fodder	3,757	1,627	2,571	2,087
Veterinary and medicines	6,242	3,892	5,910	5,237
Other livestock costs	9,290	9,451	10,642	12,719
Seeds	168	1,125	575	1,267
Fertilisers	2,439	6,329	5,860	6,316
Crop protection	300	792	424	790
Other crop costs	272	1,576	809	599
Total Variable Costs	36,124	46,040	48,044	49,482
Gross Margin	100,144	106,116	94,530	100,723
Fixed costs				
Paid labour	7,131	14,315	5,765	7,219
Contract	4,046	4,802	4,782	11,055
Machinery repairs	6,008	8,424	7,378	5,207
Machinery fuel	5,280	6,463	6,936	5,382
Machinery depreciation	8,904	15,424	12,061	9,225
General costs	14,011	16,848	14,909	14,046
Property maintenance	4,086	6,710	6,181	5,621
Rent, hired in keep and bare land	8,082	4,947	7,929	8,221
Buildings depreciation	4,161	6,398	3,772	3,450
Interest	7,876	7,385	6,229	6,888
Total Fixed Costs	69,587	91,716	75,941	76,315
FARM BUSINESS INCOME	**30,557**	**14,400**	**18,588**	**24,408**
All unpaid labour	35,247	31,219	38,121	35,732
Equals - FARM CORPORATE INCOME	-4,690	-16,818	-19,533	-11,323
Plus - Net Interest	7,837	7,345	6,109	6,831
Equals - FARM INVESTMENT INCOME	3,147	-9,473	-13,424	-4,492

Financial details, 2023/24					
		Farm Type			
		Specialist Sheep (SDA)	Specialist Beef (SDA)	Mixed grazing livestock (SDA)	Grazing livestock (DA)
Reconciliation between Net Farm Income and Farm Business Income					
	FARM BUSINESS INCOME	30,557	14,400	18,588	24,408
Plus-	Directors remuneration	27	4,682	54	42
Less-	Net income from assets associated with the farm business	0	0	0	0
Plus-	Buildings and works depreciation	4,161	6,398	3,772	3,450
Plus-	Landlord type expenses	478	985	757	525
Plus-	Imputed rental income	555	258	458	545
Less-	Imputed rent and rental value	15,981	20,823	13,959	13,536
Plus-	Net Interest	7,837	7,345	6,109	6,831
Less-	Unpaid labour of partners	8,911	1,619	7,235	5,663
Equals-	NET FARM INCOME**	18,723	11,626	8,544	16,601
** Excluding Breeding Livestock Stock Appreciation					

Land Use and Indicators of Technical Efficiency, 2023/24				
	Farm Type			
	Specialist Sheep (SDA)	Specialist Beef (SDA)	Mixed grazing livestock (SDA)	Grazing livestock (DA)
Number of farms in group	24	36	65	47
Average farmed area (hectares)	261.6	162.3	179.8	110.8
Average proportion of owned total farmed area(%)	48%	68%	51%	49%
Land use				
Area of crops	0.0	2.3	1.0	3.6
Temporary grass	3.6	2.9	3.7	12.7
Permanent grass	107.0	102.2	98.2	85.9
Fodder crops	0.3	1.1	0.8	1.3
Rough grazing	141.3	43.9	69.5	2.8
Uncropped, fallow and turf	0.5	0.7	0.0	0.8
Forage hired in	8.9	9.2	6.6	3.7
Stocking				
Average number of dairy cows	0	0	1	0
Average number of beef cows	11	40	33	20
Average number of other cattle	15	94	61	67
Average number of ewes	611	147	426	367
Average number of other sheep	479	160	369	387
Grazing livestock units	GLUs per farm			
Dairy cows	0.0	0.0	1.4	0.0
Beef cows	5.7	19.9	16.6	9.8
Other cattle	10.4	58.8	38.7	41.4
Sheep	59.2	16.1	42.9	40.3
Other livestock	0.2	0.4	2.6	0.3
Total	75.5	95.2	102.2	91.8
GLUs per ha	0.29	0.60	0.57	0.86
GLUs per adjusted ha	0.40	0.70	0.79	0.87

Balance Sheet, 2023/24	Farm type			
(end of year)	Specialist sheep (SDA)	Specialist beef (SDA)	Mixed grazing livestock (SDA)	Various grazing livestock (DA)
Number of farms in group	24	36	65	47
Average farmed area (hectares)	261.6	162.3	179.8	110.8
Average proportion of owned total farmed area	48%	68%	51%	49%
	£ per farm			
End of year assets & liabilities				
Land & buildings	1,128,852	1,704,803	1,059,886	1,030,993
Milk quota	0	0	0	0
Basic Payment Scheme	17,015	13,384	14,829	9,950
Machinery	75,730	129,880	103,103	76,055
Tenant's other assets	1,585	15,525	1,899	3,849
Breeding livestock	98,380	74,896	103,658	74,498
Total fixed assets	**1,321,562**	**1,938,489**	**1,283,376**	**1,195,344**
Trading livestock	12,431	62,703	44,896	58,905
Crops	0	1,165	318	2,397
Forage and cultivations	2,234	4,322	4,388	5,201
Stores	2,158	3,181	4,190	5,315
Debtors and loans	4,666	5,381	8,432	6,226
Bank credit and cash	30,304	16,823	24,253	22,333
Other current assets	0	0	0	0
Total current assets	**51,793**	**93,575**	**86,476**	**100,376**
Total assets	**1,373,355**	**2,032,065**	**1,369,852**	**1,295,720**
Financed by				
AMC	54,175	53,686	20,929	23,168
Bank loans	65,809	41,319	42,088	61,438
Other long term	4,464	38,033	16,202	2,935
Total long term	**124,448**	**133,039**	**79,219**	**87,541**
HP and lease	3,634	7,571	3,376	3,203
Creditors	6,769	11,181	8,333	8,551
Bank overdraft	19,974	14,698	16,035	22,603
Other short term	0	455	0	5
Total current liabilities	**30,377**	**33,905**	**27,743**	**34,362**
Total Liabilities	**154,825**	**166,944**	**106,962**	**121,903**
Net worth	**1,218,530**	**1,865,121**	**1,262,890**	**1,173,817**
Balance sheet ratios-				
% Owner equity (net worth v. total assets)	89%	92%	92%	91%
% Fixed assets vs. total assets	96%	95%	94%	92%
Gearing (long-term loans v. total assets)	9%	7%	6%	7%
Total debt (external liabilities v.net worth)	13%	9%	8%	10%

FUND FLOWS, 2023/24	Farm Type			
	Specialist Sheep (SDA)	Specialist Beef (SDA)	Mixed grazing livestock (SDA)	Various grazing livestock (DA)
Number of farms in group	24	36	65	47
Average farmed area (hectares)	261.6	162.3	179.8	110.8
Average proportion of owned total farmed area(%)	48%	68%	51%	49%
	£ per farm			
Funds available from trading				
Farm Business Income	30,557	14,400	18,588	24,408
Buildings and works depreciation	4,161	6,398	3,772	3,450
Machinery depreciation	8,904	15,424	12,061	9,225
Change in valuation *	3,006	7,602	5,415	-7,854
Trading net fund flow surplus	46,628	43,824	39,836	29,229
Funds used for farm investments				
Net property and quota purchases	10,811	5,904	-2,203	5,393
Net landlord capital purchases	2,396	5,486	4,574	2,941
Net machinery and equipment purchases	12,383	16,734	14,246	9,069
Capital net fund flow	25,591	28,125	16,617	17,404
Total farm fund flow surplus	21,038	15,700	23,219	11,826
Funds used for private expenditure				
Private drawings	32,090	26,754	28,537	24,560
Net private funds introduced	14,524	10,519	9,292	31,517
Private fund outflow	17,566	16,235	19,245	-6,957
Total net fund flow surplus	**3,472**	**-535**	**3,974**	**18,782**
Increase in loans and deposits	-9,352	5,423	-11,478	-21,061
Increase in bank balance	1,816	4,445	-7,021	-5,281
Increase in cash in hand	2	0	-258	0
Increase in debtors	-7,790	-656	-614	-732
Increase in creditors	-92	-1,099	-388	-3,735
Net change in funding	**-3,472**	**535**	**-3,974**	**-18,782**
* An increase in valuation is represented as a negative, with funds being used to increase the live and deadstock valuation				

Appendix 4 Grazing Livestock (LFA) details, by England region

Financial details, 2023/24	England Region		
	North	East	West
Number of farms in group	101	14	57
Average farmed area (hectares)	195.7	160.2	134.4
Average % of owned total farmed area	47%	46%	65%
	£ per farm		
Output			
Cattle	32,238	60,171	51,749
Sheep	55,370	30,032	37,294
Other livestock	683	11	-2
Crops	2,900	0	2,301
Forage	1,310	1,469	1,934
Environmental schemes	18,368	13,296	16,942
Basic Payment Scheme	20,666	14,600	16,808
Rental income	3,722	5,508	2,698
Contract work	4,287	3,079	9,320
Renewable energy production	853	100	1,317
Miscellaneous output	5,047	4,531	5,361
Total Farm Output	145,446	132,797	145,722
Variable costs			
Concentrates	19,129	27,717	16,336
Purchased fodder	2,757	1,037	2,620
Veterinary and medicines	6,177	3,991	4,345
Other livestock costs	10,392	20,513	9,866
Seeds	653	189	1,184
Fertilisers	5,107	2,428	5,740
Crop protection	623	353	487
Other crop costs	697	245	731
Total Variable Costs	45,533	56,474	41,309
Gross Margin	99,912	76,323	104,413
Fixed costs			
Paid labour	8,425	5,018	6,768
Contract	7,509	7,120	5,268
Machinery repairs	6,003	5,112	7,369
Machinery fuel	5,796	5,808	5,999
Machinery depreciation	10,257	10,326	11,346
General costs	13,918	15,575	15,877
Property maintenance	4,544	3,185	7,984
Rent, hired in keep and bare land	8,681	9,235	5,205
Buildings depreciation	4,326	3,675	3,659
Interest	6,745	5,130	8,207
Total Fixed Costs	76,205	70,185	77,681
FARM BUSINESS INCOME	**23,708**	**6,137**	**26,732**
All unpaid labour	33,828	31,250	40,470
Equals - FARM CORPORATE INCOME	-10,120	-25,112	-13,738
Plus - Net Interest	6,691	5,059	8,120
Equals - FARM INVESTMENT INCOME	-3,430	-20,053	-5,617

Alternative Income Measures, 2023/24				
		England Region		
		North	**East**	**West**
Reconciliation between Net Farm Income and Farm Business Income				
	FARM BUSINESS INCOME	23,708	6,137	26,732
Plus-	Directors remuneration	719	0	525
Less-	Net income from assets associated with the farm business	0	0	0
Plus-	Buildings and works depreciation	4,326	3,675	3,659
Plus-	Landlord type expenses	691	736	451
Plus-	Imputed rental income	485	347	535
Less-	Imputed rent and rental value	14,739	14,077	16,557
Plus-	Net Interest	6,691	5,059	8,120
Less-	Unpaid labour of partners	5,517	6,727	8,434
Equals-	NET FARM INCOME**	16,362	-4,851	15,032
** Excluding Breeding Livestock Stock Appreciation				

Land Use and Indicators of Technical Efficiency, 2023/24			
	England Region		
	North	East	West
Number of farms in group	101	14	57
Average farmed area (hectares)	195.7	160.2	134.4
Average proportion of owned total farmed area(%)	47%	46%	65%
Land use			
Area of crops	2.0	0.0	1.8
Temporary grass	7.6	0.0	6.4
Permanent grass	99.1	78.3	95.3
Fodder crops	0.7	0.3	1.5
Rough grazing	79.6	70.7	22.4
Uncropped, fallow and turf	0.4	0.1	0.8
Forage hired in	6.3	10.9	6.2
Stocking			
Average number of dairy cows	0	0	0
Average number of beef cows	21	17	29
Average number of other cattle	44	75	73
Average number of ewes	473	294	334
Average number of other sheep	422	212	321
Grazing livestock units	GLUs per farm		
Dairy cows	0.3	0.0	0.4
Beef cows	10.4	8.4	14.7
Other cattle	27.5	48.7	46.4
Sheep	48.2	27.9	35.5
Other livestock	0.7	1.1	1.1
Total	87.0	86.0	98.0
GLUs per ha	0.45	0.54	0.74
GLUs per adjusted ha	0.59	0.77	0.82

Balance Sheet, 2023/24	England Region		
(end of year)	North	East	West
Number of farms in group	101	14	57
Average farmed area (hectares)	195.7	160.2	134.4
Average proportion of owned total farmed area	47%	46%	65%
	£ per farm		
End of year assets & liabilities			
Land & buildings	1,071,227	910,349	1,373,217
Milk quota	0	0	0
Basic Payment Scheme	14,520	10,829	11,815
Machinery	84,748	91,310	98,207
Tenant's other assets	3,673	0	6,293
Breeding livestock	91,543	63,126	85,788
Total fixed assets	**1,265,710**	**1,075,614**	**1,575,320**
Trading livestock	37,223	26,537	59,617
Crops	1,267	0	896
Forage and cultivations	3,591	6,583	4,603
Stores	3,308	6,073	4,762
Debtors and loans	5,253	2,302	9,160
Bank credit and cash	27,091	14,234	20,312
Other current assets	0	0	0
Total current assets	**77,733**	**55,729**	**99,351**
Total assets	**1,343,443**	**1,131,343**	**1,674,671**
Financed by			
AMC	37,765	59,483	24,014
Bank loans	46,657	4,783	86,231
Other long term	13,578	16,153	3,715
Total long term	**97,999**	**80,418**	**113,961**
HP and lease	2,919	5,514	5,773
Creditors	6,549	9,053	12,141
Bank overdraft	19,770	14,043	19,471
Other short term	0	0	202
Total current liabilities	**29,238**	**28,610**	**37,587**
Total Liabilities	**127,237**	**109,028**	**151,548**
Net worth	**1,216,206**	**1,022,315**	**1,523,123**
Balance sheet ratios-			
% Owner equity (net worth v. total assets)	91%	90%	91%
% Fixed assets vs. total assets	94%	95%	94%
Gearing (long-term loans v. total assets)	7%	7%	7%
Total debt (external liabilities v.net worth)	10%	11%	10%

FUND FLOWS, 2023/24	England Region		
	North	East	West
Number of farms in group	101	14	57
Average farmed area (hectares)	195.7	160.2	134.4
Average proportion of owned total farmed area(%)	47%	46%	65%
	£ per farm		
Funds available from trading			
Farm Business Income	23,708	6,137	26,732
Buildings and works depreciation	4,326	3,675	3,659
Machinery depreciation	10,257	10,326	11,346
Change in valuation *	1,558	4,645	-3,615
Trading net fund flow surplus	39,848	24,784	38,122
Funds used for farm investments			
Net property and quota purchases	1,142	9,435	13,263
Net landlord capital purchases	4,316	2,111	1,947
Net machinery and equipment purchases	11,282	10,554	14,507
Capital net fund flow	16,740	22,100	29,718
Total farm fund flow surplus	23,108	2,684	8,404
Funds used for private expenditure			
Private drawings	28,404	19,017	28,586
Net private funds introduced	18,306	2,240	23,739
Private fund outflow	10,098	16,776	4,847
Total net fund flow surplus	**13,010**	**-14,092**	**3,558**
Increase in loans and deposits	-15,949	11,317	-8,908
Increase in bank balance	-884	391	-6,706
Increase in cash in hand	-94	8	0
Increase in debtors	-4,400	-739	785
Increase in creditors	-2,440	2,436	-571
Net change in funding	**-13,010**	**14,092**	**-3,558**
* An increase in valuation is represented as a negative, with funds being used to increase the live and deadstock valuation			

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Farm Business Survey

Department for Environment Food & Rural Affairs

FOR MORE INFORMATION CONTACT US ON

info@farmbusinesssurvey.co.uk

www.farmbusinesssurvey.co.uk

01270 332399

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