

FBS
Farm Business Survey



Department
for Environment
Food & Rural Affairs



FARM BUSINESS SURVEY

Pig Production in England



Farm Business Survey

2022/23

Pig Production in England

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1.0 Overview of the Pig Industry

Sources used as part of this commentary on the pig industry are not from the Farm Business Survey but have been included to give the reader an overview of the wider industry for the period covered.

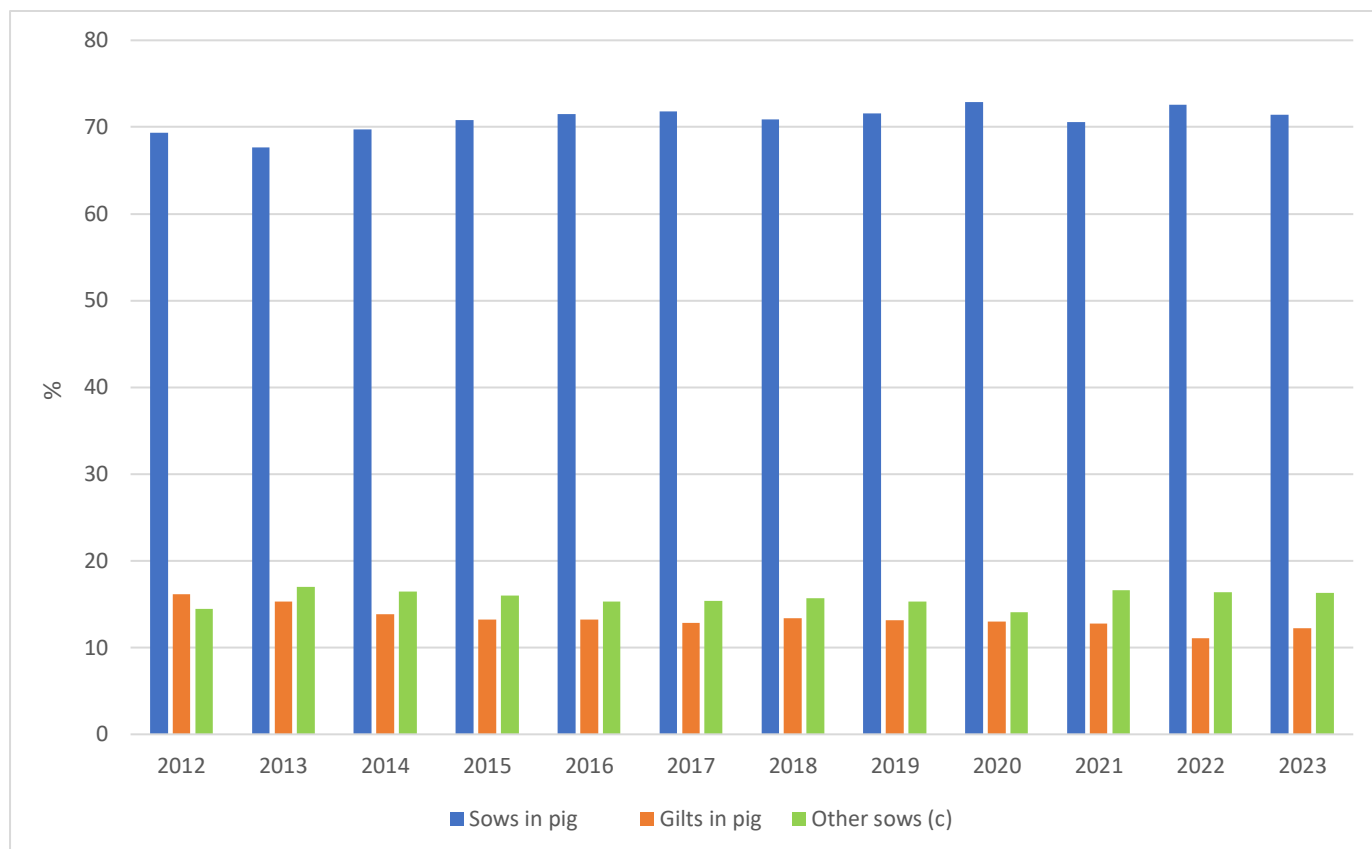
- Total pig numbers have decreased 0.79% between 2012 and 2023 with 3,633,000 pigs in 2023.
- Total number of pigs in England in 2023 decreased by 11.6% when compared to 2022 dropping below 4 million animals the first time it has done so since 2017.
- Clean pig slaughtering in England and Wales decreased from 11,264 thousand head in 2021 to 11,117 thousand head in 2022.
- Although UK sow and boar carcass weights have been generally reducing over the last decade clean pig carcass weights have gradually increased to 89.99Kg in 2022.
- GB Deadweight SPP pig prices started 3.34p lower at the beginning of 2022 than the previous year. Prices climbed gradually throughout 2022 into 2023 with a high in August 2023 of 225.31p/kg/dw. Prices were on the decrease at the time of writing for the rest of 2023.

Table 1.1 Breeding Pigs on Agricultural Holdings in England 1st June ('000)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	% change 2023/2022
Total pigs	3,662	4,066	3,954	3,826	3,911	3,969	4,038	4,060	4,021	4,238	4,109	3,633	-11.6%
Total breeding pigs	437	434	411	413	417	416	408	410	405	403	329	329	0.1%
Female breeding herd	351	346	329	328	334	334	327	327	319	313	261	257	-1.5%
Sows in pig	244	234	230	232	239	240	232	234	232	221	189	184	-3.0%
Gilts in pig	57	53	46	43	44	43	44	43	41	40	29	31	8.9%
Other sows (c)	51	59	54	52	51	51	51	50	45	52	43	42	-1.5%
Other breeding pigs	85	88	82	85	82	82	82	83	86	90	68	72	6.3%
Boars for service	14	13	12	13	13	11	11	10	9	10	9	8	-6.9%
Gilts not yet in pig	72	75	70	72	69	71	71	73	76	79	59	64	8.3%
Fattening pigs (liveweight)	3,225	3,632	3,542	3,413	3,494	3,553	3,630	3,650	3,616	3,835	3,781	3,304	-12.6%

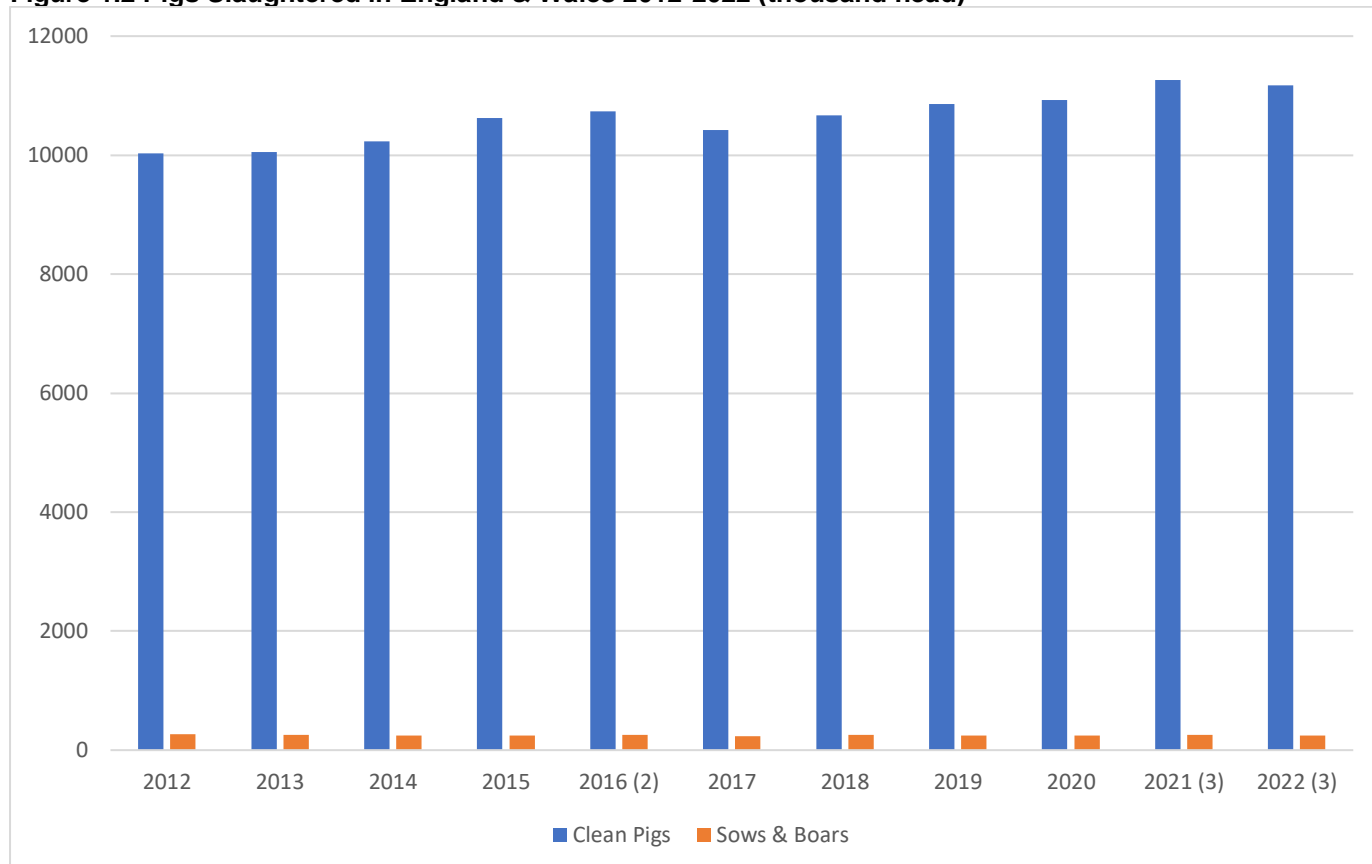
Source: Defra, 2023 Department for Environment Food and Rural Affairs – Defra June Survey of Agriculture
(c) Either being suckled or dry sows being kept for further breeding.

Figure 1.1 Breakdown of the English female pig breeding herd 1st June 2012-2023



Source: Defra, 2023 Department for Environment Food and Rural Affairs – Defra June Survey of Agriculture

Figure 1.2 Pigs Slaughtered in England & Wales 2012-2022 (thousand head)

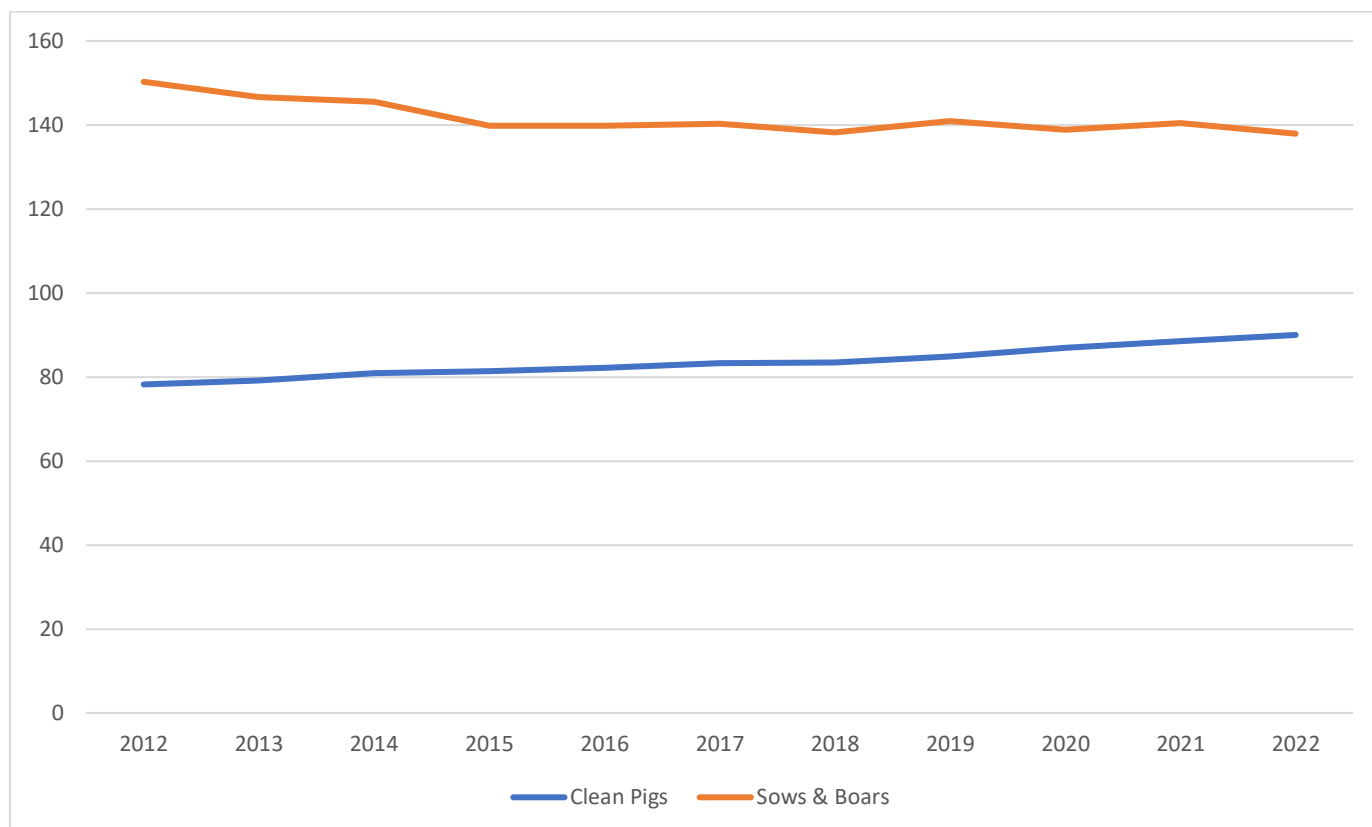


Source: Defra, <https://www.gov.uk/government/statistics/cattle-sheep-and-pig-slaughter>

2. Data up to and including January 2016 is based on statistical months; Data from February 2016 is based on calendar months

3. From April 2023, data from January 2021 - March 2023 have been revised using updated Food Standards Agency administrative data for the livestock slaughter numbers for England and Wales.

Figure 1.3 UK Average Carcase Weights 2012-2023 Kg



Source: Defra, <https://www.gov.uk/government/statistics/cattle-sheep-and-pig-slaughter>

Figure 1.4 UK Deadweight Average Pig Price (SPP) 2012-2023

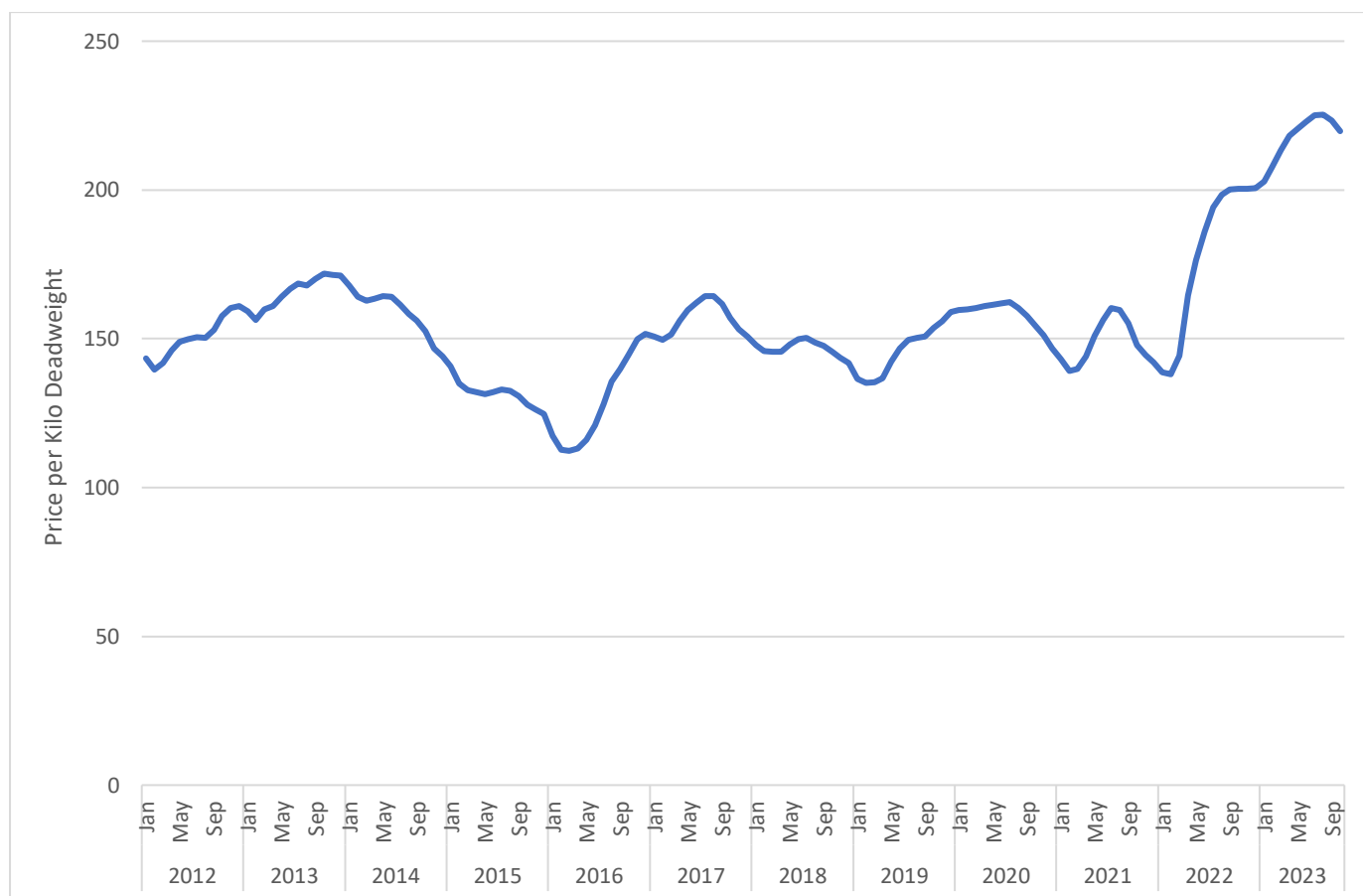
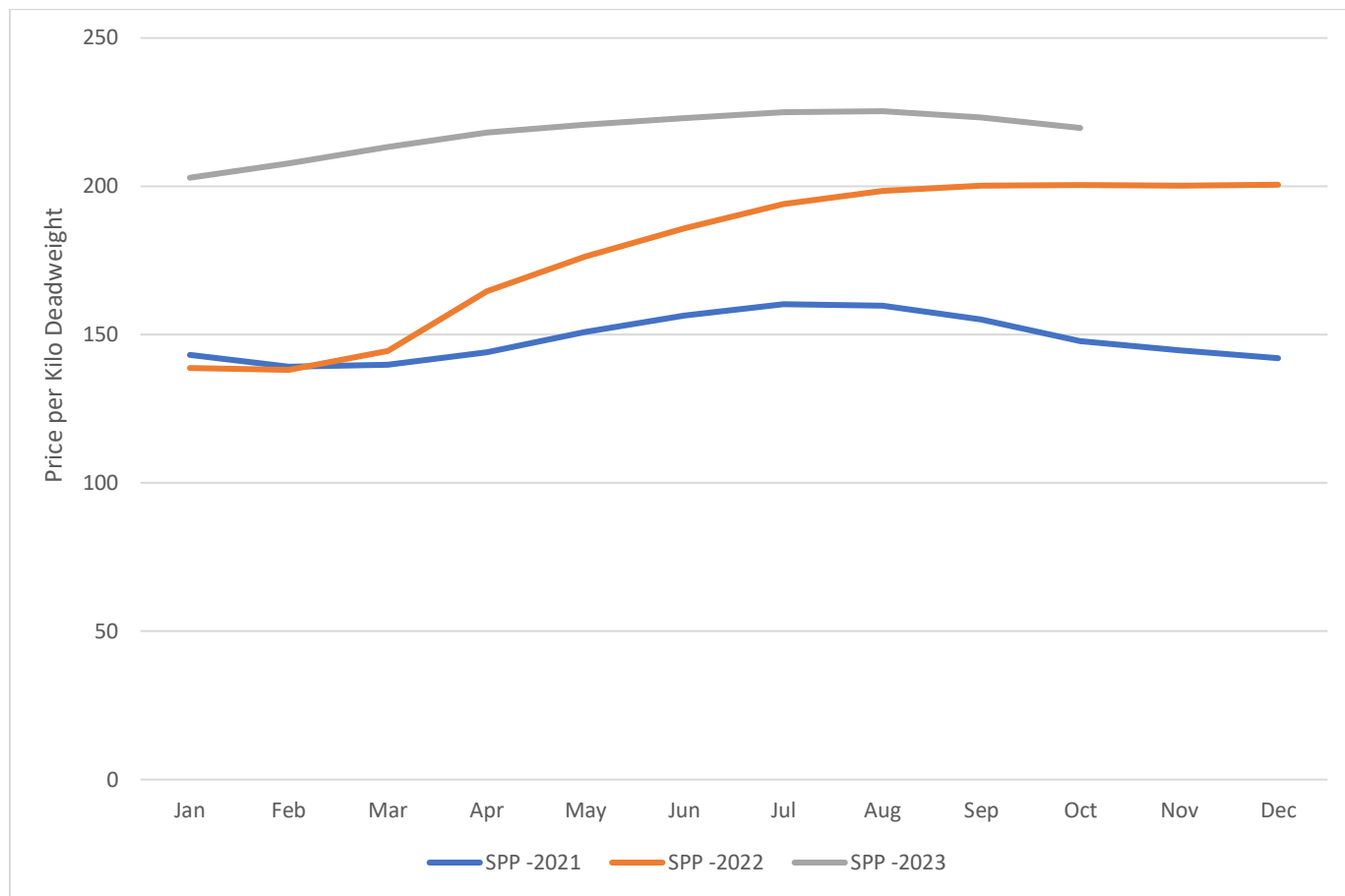


Figure 1.5 UK Deadweight Average Pig Prices (SPP) 2021-2023



Source: AHDB, <http://pork.ahdb.org.uk/prices-stats/prices/pig-prices-uk-spec/>

Footnotes: SPP (Standard Pig Price) is the average price for GB standard pigs, those that have not received a premium for the production system, feed regime or breed.

2.0 Financial Performance of Specialist Pig Farms

The data in this report has been extracted from the 2022/23 Farm Business Survey (FBS). This presents data for all farm types on both a national and Government Office region (GOR) basis. The basis for the classification of farms in the FBS is described in Appendix A.

In the 2022/23 FBS there were 40 farm businesses that were classified as Specialist Pig farms. This is 17 fewer than the previous year when there were 57 recorded pig farms. Farms are classified according to Standard Outputs (SO). Please see the explanatory document at <https://www.gov.uk/government/collections/farm-business-survey> for further details on Standard Outputs.

To be classified as a Specialist Pig farm at least two-thirds of the total SO from the enterprises on the farm must have been generated by pigs.

All the results presented in this report are based on weighted data to produce population estimates for England.

2.1 Classification of farms

The 40 Specialist Pig farms subdivided into three EU Particular Farm Types (PFT) as follows:

EU PFT	No of farms	Description
5110 & 5120	15	Specialist pig rearing and fattening
5130	25	Pigs rearing and fattening combined

Due to the small sample numbers for type 5110, types 5110 and 5130 have been combined. Thus this group refers to farms predominantly with sows selling either weaners or fat pigs and type 5120 are predominantly farms without sows but selling fat pigs, many on a contract basis.

2.2 Financial Results

Across all Specialist pig farms, average farm business income amounted to £67,871 (Table 2.1) which was 477% higher than the previous year.

Total output was 33% more than the previous financial year, averaging £872,180 per farm. Variable costs increased by 26% on the previous year, and fixed costs increased by 26%.

Table 2.2 shows the range of FBI for Specialist Pig Farms. The table demonstrates the range of farm business incomes seen in the sector with the top 25% achieving an average FBI of £216,752 whilst the bottom 25% have a negative income of -£68,158.

Table 2.3 shows the range of MII for Specialist Pig farms, with the top 25% achieving £157,890 and the bottom making a loss of -£128,640.

An analysis of the results split between businesses classed as 'predominantly sows' and those classed as 'predominantly growing and fattening pigs' is presented in Table 2.4. The overall gross margin for 'predominately sows' is higher, however these businesses have much higher total fixed costs, therefore the FBI per farm is smaller than the 'predominantly growing and fattening pigs' group.

In order to examine the influence of size on financial performance the results have been analysed in terms of SO. Table 2.5 shows the results and indicates the range of SO for each size category. The results don't show much difference in FBI between the smallest group (0-500) and the middle group (500-1000), £52,602 and £45,861 respectively, given that the middle group has a pig output over £132,000 above than the lower group.

In Table 2.6, the farms have been grouped by performance ratio, this is a measure of farm business output in comparison to farm business costs, including unpaid labour. The farms are then grouped into quartiles, high, medium (2 quartiles) and low. Interestingly, the low performing group have a much higher pig output than the other 2 groups. The high performance ratio group in fact had the lowest total output but the greatest output from non-pig sources.

Table 2.1 Specialist Pig Farms – Financial Results

	2021/22	2022/23	
Number of farms	57	40	% Change
Output			
Pigs	477,626	581,031	22
Other livestock	11,555	24,324	111
Crops	80,565	117,287	46
Miscellaneous	86,283	149,539	73
Total output	656,029	872,180	33
Variable costs			
Feed	316,304	405,786	28
Vet and medicines	13,026	14,645	12
Other livestock costs	45,617	47,586	4
Crop costs	25,184	37,968	51
Total variable costs	400,132	505,985	26
Farm gross margin	274,776	366,195	33
Fixed costs			
Labour			
- Paid	61,230	63,092	3
- Unpaid	34,540	45,924	33
Machinery			
- Contract	18,220	21,601	19
- Depreciation	23,563	27,677	17
- Repairs	17,749	20,345	15
- Fuel and oil	13,773	19,836	44
Occupiers repairs	18,330	25,631	40
Rent and rates	46,714	58,021	24
Other farm costs (including bad debts)	40,656	63,989	57
Total fixed costs	275,003	346,117	26
Management and investment income	-18,878	20,078	206
Less management charges	227	232	2
Plus farmer and spouse labour	26,399	34,062	29
Net farm income	7,293	53,908	639
Less net interest payments	12,557	15,828	26
Less building depreciation and insurance	23,275	31,825	37
Less directors remuneration	6,529	1,008	-85
Plus rental value and imputed rent	38,693	50,762	31
Plus imputed labour	8,142	11,862	46
Farm business income	11,767	67,871	477

Table 2.2 Specialist Pig Farms 2022/23 – Grouped by FBI per Farm

	Top 25%	Middle 50%	Bottom 25%
Number of farms	13*	20	7*
Output			
Pigs	663355	515157	629088
Other livestock	23748	24120	25233
Crops	312366	55255	54771
Miscellaneous	403960	49321	104227
Total output	1403430	643853	813319
Variable costs			
Feed	463807	321433	510776
Vet and medicines	15782	14097	14632
Other livestock costs	61280	35225	58211
Crop costs	88087	22960	20165
Total variable costs	628956	393715	603784
Farm gross margin	774474	250138	209535
Fixed costs			
Labour			
- Paid	115587	33385	70676
- Unpaid	47470	42091	51695
Machinery			
- Contract	57267	10661	9417
- Depreciation	51601	22034	16326
- Repairs	38715	11286	20490
- Fuel and oil	39153	12973	14999
Occupiers repairs	62077	9470	22526
Rent and rates	108259	38914	47796
Other farm costs (including bad debts)	98848	40335	76390
Total fixed costs	618978	221148	330316
Management and investment income	155496	28990	-120780
Less management charges	509	221	0
Plus farmer and spouse labour	35660	30009	40198
Net farm income	190648	58778	-80582
Less net interest payments	24537	13548	12117
Less building depreciation and insurance	39929	27652	32220
Less directors remuneration	4171	0	0
Plus rental value and imputed rent	82931	37966	45264
Plus imputed labour	11810	12082	11497
Farm business income	216753	67626	-68159

*A part of this table was derived from data with less than 15 observations in the sample which could reduce the robustness of the results

Note: The farms are ranked in descending order according to performance and allocated to quartiles with the top quartile (25percent) representing the top band (Premium Group). Note that the farm weights are used to allocate farms to quartiles so the number of farms in a quartile will not necessarily be equivalent to a quarter of the sample.

Table 2.3 Specialist Pig Farms 2022/23 – Grouped by MII per Farm

	Top 25%	Middle 50%	Bottom 25%
Number of farms	15	19	6*
Output			
Pigs	832328	409116	667021
Other livestock	30339	19825	27162
Crops	290655	56551	58958
Miscellaneous	400619	39128	110709
Total output	1553941	524620	863851
Variable costs			
Feed	556085	257417	549822
Vet and medicines	21403	10616	15750
Other livestock costs	73737	26682	62661
Crop costs	86844	20756	21707
Total variable costs	738069	315472	649940
Farm gross margin	815873	209148	213912
Fixed costs			
Labour			
- Paid	131399	21535	75951
- Unpaid	40025	45752	52460
Machinery			
- Contract	58608	8238	9960
- Depreciation	52855	20339	16192
- Repairs	40197	9995	20567
- Fuel and oil	38384	12858	14574
Occupiers repairs	62814	7175	24161
Rent and rates	117816	31751	48724
Other farm costs (including bad debts)	115884	29364	79965
Total fixed costs	657983	187008	342552
Management and investment income	157890	22140	-128640
Less management charges	903	0	0
Plus farmer and spouse labour	35598	30308	40084
Net farm income	192584	52448	-88556
Less net interest payments	38192	6467	11404
Less building depreciation and insurance	51550	21399	32336
Less directors remuneration	3925	0	0
Plus rental value and imputed rent	93617	30767	46471
Plus imputed labour	4427	15445	12376
Farm business income	196961	70792	-73449

Note: The farms are ranked in descending order according to performance and allocated to quartiles with the top quartile (25percent) representing the top band (Premium Group). Note that the farm weights are used to allocate farms to quartiles so the number of farms in a quartile will not necessarily be equivalent to a quarter of the sample.

*A part of this table was derived from data with less than 15 observations in the sample which could reduce the robustness of the results

Table 2.4 Financial Data for Specialist Pig Farms 2022/23 – Grouped by Type

	Predominantly sows	Predominantly growing/fattening pigs
Number of farms	15	25
Output		
Pigs	855268	323767
Other livestock	22086	26422
Crops	139348	96591
Miscellaneous	200142	102068
Total output	1216845	548848
Variable costs		
Feed	624289	200806
Vet and medicines	23497	6341
Other livestock costs	70304	26274
Crop costs	46861	29626
Total variable costs	764951	263048
Farm gross margin	451894	285800
Fixed costs		
Labour		
- Paid	91800	36161
- Unpaid	45375	46440
Machinery		
- Contract	28995	14664
- Depreciation	28163	27221
- Repairs	26906	14190
- Fuel and oil	20588	19131
Occupiers repairs	35609	16271
Rent and rates	72367	44564
Other farm costs (including bad debts)	87833	41621
Total fixed costs	437636	260262
Management and investment income	14258	255538
Less management charges	479	0
Plus farmer and spouse labour	37272	31051
Net farm income	51051	56589
Less net interest payments	17046	14684
Less building depreciation and insurance	43192	21162
Less directors remuneration	0	1954
Plus rental value and imputed rent	64099	38249
Plus imputed labour	8103	15389
Farm business income	63014	72427

Table 2.5 Financial Data for Specialist Pig Farms 2022/23 – Grouped by Standard Output per Farm

,000's SO	1000+	500-1000	0-500
Number of farms	11*	20	9*
Output			
Pigs	1433381	415976	338131
Other livestock	22632	33543	14429
Crops	271982	88933	71333
Miscellaneous	369464	105798	88211
Total output	2097459	644250	512104
Variable costs			
Feed	1032158	288783	222276
Vet and medicines	33310	11115	9229
Other livestock costs	111407	36394	28036
Crop costs	82041	28902	26030
Total variable costs	1258916	365193	285571
Farm gross margin			
Fixed costs			
Labour	- Paid 158676	48119	31727
	- Unpaid 44127	46161	46566
Machinery	- Contract 62341	17849	5163
	- Depreciation 43847	25810	21594
	- Repairs 44443	17119	11795
	- Fuel and oil 40329	16674	13056
Occupiers repairs	68987	16386	14267
Rent and rates	136578	44423	33751
Other farm costs (including bad debts)	123871	50981	48572
Total fixed costs	723198	283839	226491
Management and investment income	115345	-4465	42
Less management charges	493	317	0
Plus farmer and spouse labour	36158	32435	34890
Net farm income	151010	27653	34932
Less net interest payments	42836	13973	4191
Less building depreciation and insurance	73349	20962	23284
Less directors remuneration	2119	1386	0
Plus rental value and imputed rent	107350	40803	33469
Plus imputed labour	7969	13726	11676
Farm business income	148023	45861	52601

*A part of this table was derived from data with less than 15 observations in the sample which could reduce the robustness of the results

Table 2.6 Financial Data for Specialist Pig Farms 2022/23– Grouped by Performance Ratio

	High	Medium	Low
Number of farms	16	17	7*
Output			
Pigs	131478	912106	304150
Other livestock	26384	21792	27809
Crops	179435	130841	25916
Miscellaneous	179181	190835	29835
Total output	516477	1255573	387710
Variable costs			
Feed	21722	652611	247961
Vet and medicines	2077	23966	6764
Other livestock costs	14053	71276	29129
Crop costs	50830	44533	10841
Total variable costs	88682	792386	294695
Farm gross margin	427796	763187	93015
Fixed costs			
Labour			
- Paid	40514	90746	25089
- Unpaid	38560	47545	49699
Machinery			
- Contract	20834	29495	5109
- Depreciation	39831	29750	11070
- Repairs	17462	25589	11747
- Fuel and oil	26510	21250	10117
Occupiers repairs	20339	34829	10788
Rent and rates	58986	72303	25850
Other farm costs (including bad debts)	46714	86511	31931
Total fixed costs	309750	438019	181401
Management and investment income	118045	25168	-88386
Less management charges	459	235	0
Plus farmer and spouse labour	27656	36694	34676
Net farm income	145242	61627	-53710
Less net interest payments	17923	18505	7894
Less building depreciation and insurance	21198	45389	12740
Less directors remuneration	4241	0	0
Plus rental value and imputed rent	47626	64869	23045
Plus imputed labour	10905	10851	15023
Farm business income	160411	73453	-36277

Note: The farms are ranked in descending order according to performance and allocated to quartiles with the top quartile (25percent) representing the top band (Premium Group). Note that the farm weights are used to allocate farms to quartiles so the number of farms in a quartile will not necessarily be equivalent to a quarter of the sample.

*A part of this table was derived from data with less than 15 observations in the sample which could reduce the robustness of the results

3.0 Margins for Pig Enterprises

The data in the following section utilises the net margins gathered from the 40 specialist pig farms as included in chapter 2. More data is available for other farm types who keep pigs but not as their sole interest, however, only those farms specialising in pigs have been included due to the nature of the way the data is collected. Variable costs are allocated to different farm enterprise by estimation; however, some of the fixed costs are allocated econometrically, according to the set coefficients that are estimated. Data on the validity of these coefficients is being accumulated with a view to improving them over time. For specialist pig farms, the net margins for the pig enterprise should be reasonably accurate. This is because these farms have few or no other enterprises and therefore most fixed costs are rightly attributable to the pig enterprise. Therefore Section 3 shows costs attributable to pigs alone rather than other parts of the business.

3.1 Classification of farms

Net and gross margins were completed for 40 Specialist Pig farms. These were classified as follows:

Type	No of farms	Definition
65,68	0	Breeders selling weaned pigs
66,69	13	Breeders selling fat pigs (finishers)
2065, 2072	22	Contract rearing
67, 70, 72, 1072	5	Other*

*Other includes mixed weaners/fat pigs, buying weaners and selling fat pigs and those with their own pigs and pigs on contract

Table 3.1 Specialist Pig Farms – Average Net Margins (£/farm)

	2021/2022	2022/23	% Change
Number of farms	57	40	
	£ per farm	£ per farm	
Output	238713	477472	100
Variable costs			
Feed	173186	328971	90
Vet and medicines	6880	11828	72
Other variable costs	20059	33832	69
Total variable costs	200127	374631	87
Gross Margin	38585	102842	167
Fixed costs			
Paid labour	21382	31459	47
Unpaid labour	2869	4721	65
Contract hire	2873	3159	10
Machinery depreciation	3190	5811	82
Machinery repairs	2776	4804	73
Fuel and oil	2596	4870	88
Electricity and heating fuel	5582	13343	139
Water	1503	2276	51
Insurance	2114	3674	74
Professional fees	2549	3122	22
General farm costs	2838	9309	228
Occupiers repairs	5848	5482	-6
Rent and rates	5602	11156	99
Total fixed costs	61722	103186	67
Net farm income	-23138	-344	99
Less farmer and spouse labour	7047	14470	105
Plus managerial input	117	100	-15
Net margin	-30067	-14714	51

Table 3.2 Specialist Pig Farms 2022/23 – Average Net Margins by Farm Type

Farm type	Breeders selling fat pigs	Contract rearing
Number of farms	13*	22
Output	£ per farm 941348	£ per farm 117166
Variable costs		
Feed	650936	8813
Vet and medicines	22344	1085
Other variable costs	67720	7948
Total variable costs	741001	17847
Gross Margin	200348	99320
Fixed costs		
Paid labour	62326	12251
Unpaid labour	9890	4681
Contract hire	6617	2588
Machinery depreciation	11707	5023
Machinery repairs	9274	3183
Fuel and oil	9946	4362
Electricity and heating fuel	26358	1576
Water	4389	772
Insurance	7339	2484
Professional fees	6377	1528
General farm costs	19176	2948
Occupiers repairs	11163	3148
Rent and rates	19718	3198
Total fixed costs	204280	47743
Net farm income	-3932	51577
Less farmer and spouse labour	29383	11812
Plus managerial input	209	325
Net margin	-33105	40090

Note: A part of this table was derived from data with less than 15 observations in the sample which could reduce the robustness of the results

Table 3.3 Specialist Pig Farms – Breeders Selling Fat Pigs, Costs and Margins per £100 Pig Output

	£ per £100 output	
	2021/22	2022/23
Number of Farms	19	13*
Feed	73.6	69.1
Other variable costs	11.2	9.6
Gross margin	15.2	21.3
Labour costs	11.3	7.7
Contract and machinery costs	3.7	2.9
Occupiers repairs	1.8	1.2
Rent and rates	2.3	2.1
Other fixed costs	7.8	7.8
Net margin	-11.8	-0.4

Note: A part of this table was derived from data with less than 15 observations in the sample which could reduce the robustness of the results

Table 3.4 Specialist Pig Farms – Average Net Margins per Sow (£/sow)

Farm Type	2021/22	2022/23
	Breeders selling fat pigs	
Number of farms	19	13*
Number of sows	276	263
	£ per sow	£ per sow
Output	2202	3585
Variable costs		
Feed	1621	2479
Vet and medicines	64	85
Other variable costs	183	258
Total variable costs	1868	2822
Gross Margin	334	763
Fixed costs		
Paid labour	222	237
Unpaid labour	27	38
Contract hire	21	25
Machinery depreciation	32	45
Machinery repairs	28	35
Fuel and oil	24	38
Electricity and heating fuel	57	103
Water	15	17
Insurance	22	28
Professional fees	28	24
General farm costs	29	73
Occupiers repairs	40	43
Rent and rates	50	75
Total fixed costs	593	778
Net farm income	-259	-15
Less farmer and spouse labour	86	112
Add management	2	1
Net margin	-343	-126

Note: A part of this table was derived from data with less than 15 observations in the sample which could reduce the robustness of the results

4.0 Appendix A

Notes and Definitions

Classification of Farms in the FBS

Farms in the Farm Business Survey are grouped by type of farm based on the EC system of classification defined by Commission Regulation 1242/2008 (with minor modifications to adapt it to United Kingdom conditions). This classification system uses Standard Outputs per hectare of crop area and per head of livestock estimated over a 5 year period. For 2010/11 (in line with the EU regulation) Standard Outputs were first introduced and were calculated for the period 2005-2009 (referred to as 2007 Standard Outputs). Prior to 2010, farm classification was based on using Standard Gross Margins. From 2013/14, Standard Outputs were recalculated for the period 2008-2012 (referred to as 2010 Standard Outputs). From 2018/19, the classification of farms is based on 2013 standard output coefficients. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/365564/fbs-uk-farmclassification-2014-21oct14.pdf

Management and Investment Income (MII) is defined as the return to the farmer and spouse for their management and on the tenant-type capital of the business. Management and investment income is NFI minus an imputed cost for the manual labour of the farmer and spouse plus paid management.

Net Farm Income (NFI) assumes all farms are tenanted and that all tenant type assets are owned by the farmer. It represents the return to the farmer and spouse for their manual and managerial labour and on tenant type capital in livestock, crops, machinery, etc., but excluding land and buildings. It is calculated before deduction of interest payments on any farming loans and also excludes interest earned on any financial assets owned. (Breeding livestock appreciation (BSA) is excluded from total farm output and, therefore, is not included in net farm income).

Farm Business Income (FBI) for sole traders and partnerships represents the financial return to all unpaid labour (farmers and spouses, directors, 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. 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.

Unpaid Labour costs are based on the time spent in manual work on the farm, valued at the appropriate prevailing hourly earnings of agricultural workers. Farmer and spouse unpaid labour costs are added back in order to calculate NFI from MII.

Weighting of results

All data presented in this report has been weighted to reflect the relative significance of each farm in the population. The weighting adopted has been the same as that used in the main FBS results (see www.farmbusinesssurvey.co.uk). All FBS results are weighted so as to represent the whole population of farms rather than just the sample. The population in this case is all farms in England has a Standard Output of 25,000 euros. Weighting of FBS data is a two-stage procedure. The first stage applies a multiple to each farm to bring the number of farms to population level and to correct for differing probabilities of selection from the June agricultural census sampling frame; the second stage readjusts these weights to correct for biases identified from a range of variables in external data sources.

Average number of sows

The average number of sows is an annual average calculated from the number of sows and in-pig gilts on the farm.

FBS
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