

# THE FARM BUSINESS SURVEY IN WALES

## Wales Farm Income Booklet 2023/24 Results





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**Wales Farm Income Booklet  
2023/24 Results**

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**Farm Business Survey**

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## Foreword

Aberystwyth University has been researching Welsh farm incomes for over eighty-five years. The Survey, recognised as the most authoritative of the financial position and performance of farm incomes, provides policy-makers with information on the economic state of the industry and provides valuable benchmarking data for assessing individual farm performance.

This booklet is based on the full Farm Business Survey (FBS) which collects information from over 550 randomly selected Welsh farms. This booklet is aimed at providing Welsh farmers with a user friendly benchmarking tool and incorporates the latest financial and physical information for the main farm types in Wales. The results shown are contrary to some aspects of FBS methodology and presentation of results. For example, notional inputs such as rental value for owner occupied farms and unpaid labour have been taken out, whereas finance charges have been included, so that the figures represent actual costs incurred. This booklet only shows unpaid labour for reference purposes and also, only includes selected farm types. So, for any comprehensive and detailed analysis and for year on year analysis on income trends please refer to the full results published online as the *FBS in Wales: Statistical Results*.

The value of the Survey depends on it representing Welsh farming and so it is desirable to have a small turnover of the farms taking part in it so that new farms can regularly be included. Any new farms recruited must be of a suitable type and size and so able to replace farms that are leaving the Survey. If you are interested in knowing more about the Survey and or participating in the Survey, please contact me.

Aberystwyth University has been associated with land-based studies since 1878 and the FBS is its oldest research contract. It is therefore appropriate that I gratefully acknowledge the many farmers throughout Wales who have made detailed information available; their accountants and consultants who have assisted with data provision, the Welsh Government, who finance the present Survey, and the past and present staff of the Survey.

**Tony O'Regan (tor@aber.ac.uk)**  
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## Overview

The results in this booklet consist of accounting years ending between 31st December 2023 and 31st March 2024 and therefore reflect farming conditions between January 2023 and March 2024. This overview is intended to provide context and insight into the period that the results presented in this booklet represent.

The limited 2022 forage crop and cold, but dry, 22/23 winter put pressure on winter stocks. A dry, warm spring helped drilling, grass growth and forage harvest although this dry spell hit crop establishment and yields. A long, wet and stormy second half to the period gave extremely difficult grazing, cereal harvesting and autumn drilling conditions resulting in poor crop quality and yields. Feed shortages/higher feed prices followed. The rain persisted over the 23/24 winter resulting in higher housing costs, bedding shortages and a difficult start for the '24 lambing.

The fair weather in spring of '23 provided good lambing and finishing conditions and, coupled with fewer lambs around, gave higher sheep prices for the whole of the period and for all types of stock. Wool prices remained historically low. Finished cattle prices remained buoyant for the season although higher winter housing costs forced some early sales. Cull and store cattle prices remained strong as did heifer prices. Higher input prices in all sectors significantly impacted margins.

Milk price declined from the Jan '23 50p/l peak throughout the spring/summer, rose slightly until March '24 although was still 20% down on its peak. High costs during the period impacted on profitability and resulted in producers exiting the sector. Dairy stock prices were firm, although variability between regions, breed and systems remained as did the ever-present pressures and stresses of bTB.

With low stocks/high demand at the start of the year, crop prices were strong and remained so until Dec '23, then fell for the rest of the period. The wet harvest and supply/cost issues offset some of the increased prices. Continued uncertainty reduced planting areas of some oilseeds and intensive crops. Root crops struggled with conditions. Potato prices were good to very good throughout 2023.

Profitability concerns from increased costs/regulations and related pressures plus negative media coverage and climate change etc. leading to planning issues, increased anxiety and a deterioration in farmer mental wellbeing.

Other aspects of note during the period included:- Rises in input costs and in particular electricity; Increased pressures on farm finances with high interest rates; Higher import prices for agrochemicals and building materials costs; Availability and costs of replacement machinery, equipment and the cost of repairs; Continued concern over replacing lost Basic Payment Scheme (BPS) income, future environmental schemes/criteria and agricultural policies; Poor labour availability and higher labour costs; Reduced availability of and increased cost of land and rented grazing; Reduced profitability and fiscal changes for diversification, notably holiday cottages and energy: Significantly increased and continuous pressures on cereal, pig and poultry enterprises; Making Tax Digital/Current Year Basis compliance and the added costs for farmers; Implementation of pollution regulations and slurry/FYM storage/use implications and legislative compliance costs; Water use and extraction issues.

The results presented highlight large performance differences. For example, the top third hill cattle and sheep farms' £ per effective hectare profit was over double the average achieved. Likewise, on dairy farms the top third producers made a net margin of 12p/l more than the bottom third. Meat producers showed similar variability with lamb production ranging from making 61p/kg to losing 120p/kg, and suckler beef from plus 77p/kg to minus 121p/kg. However, none of these results take account of the farmer's labour cost, the absence of which, if misused, presents a false picture of the economics of farm production. The dairy sector best illustrates this since labour and pension costs alone can add over 10p/l, which then pushes the costs of production for the top third to 38p/l and the bottom third to 47p/l.

Particular attention also needs to be given to the current contribution of the BPS, other subsidies, miscellaneous and diversified income to the bottom line. For example, these four contributed around 26% of the total income (outputs) and 190% of profits, on average, for the upland cattle and sheep farms. With these levels of dependency, it is difficult to see how many Welsh farms with limited options for changing farming enterprises and or systems, can be profitable without relying on non-farming income and Welsh Government support payments.

## Introduction

Farm profitability is central to any farm business, although farmers will have many other business and personal objectives. With the BPS and Habitat Wales Scheme being replaced by the Sustainable Farming Scheme in 2026 and other ongoing economic challenges all farmers should be aware of their production costs and how these compare with those of other producers. The variation in performance and return demonstrated in this booklet shows the scope for improvement and by comparing or better still 'benchmarking' farm performance, potential strengths and weaknesses within the farming operation can be identified and acted upon.

The results in this booklet are laid out as follows with data shown for the average and top third performers:

### **1. Whole Farm Data (Pages 7 – 18)**

A profit and loss account and summarised balance sheet for six different types of farm are presented, showing the average profit or loss for these farms and its equivalent per hectare. Also shown is the size and stocking of these farms and relevant key performance indicators.

### **2. Gross Margin Data (Pages 19 – 22)**

This booklet presents data for eight different farm enterprises. Gross margins compare income with the direct costs incurred for production however, care is needed when using gross margins since no account is taken of indirect production costs (overheads).

### **3. Production Costs Data (Pages 23 – 24)**

Production costs are presented for four farm outputs. These examine the total unit cost of production and, by allocating both direct and indirect costs (the latter being allocated on a livestock unit basis), the producer is better able to determine both the competitiveness and efficiency of the enterprise.



## Definition of Terms and Explanatory Notes

<i>Effective Hectares (Eff. Ha.)</i>	Constitutes total farm area minus area occupied by roads, woodland, wasteland and buildings. Rough grazing is expressed in terms of pasture equivalent.
<b>Farm Types</b>	
<i>Hill</i>	Mainly in Severely Disadvantaged Area.
<i>Upland</i>	Mainly in Disadvantaged Area.
<i>Lowland</i>	Mainly outside Less Favoured Area.
<b>Whole Farm Data</b>	
<i>Ranking of whole farm data</i>	Top producers are ranked by profit after rent and finance per effective hectare.
<i>Indirect subsidies</i>	Subsidies not subject to de-coupling e.g. Organic Scheme and Glastir.
<i>Other crop costs</i>	Includes all arable and forage costs except for fertilisers and contracting, e.g. seeds, sprays, wrap, twine etc.
<i>Allocatable contracting</i>	Contracting allocated to enterprises e.g. combining, shearing and slurry spreading.
<i>General farm costs</i>	Includes electricity, telephone, insurances, professional fees, licenses and subscriptions.
<i>Miscellaneous income</i>	Comprises contracting, cottage rents, wayleaves and any other miscellaneous income. Includes revenue from other enterprises not shown.
<i>Owner equity</i>	Net worth as percentage of total assets.
<i>Stocking Rate (glu/adj.forage ha),</i>	Grazing Livestock Units per adjusted forage hectare of land.
<i>Livestock Units (LU) and Grazing Livestock Units (GLU)</i>	Livestock numbers are converted to livestock units, based on estimated energy requirements, to calculate the total stocking of grazing livestock on the farm.
<i>Dairy other output</i>	Net output from sales / purchases of cows and calves. Includes valuation changes.
<i>Income from Energy Generation</i>	Income from farmer and non-farmer-owned energy generation, including wind, solar, biomass, hydro, AD etc.

<i>Paid labour</i>	Includes actual paid casual, part-time and whole time labour.
<i>Unpaid labour (not including farmer and spouse)</i>	Unpaid labour or labour receiving less remuneration than the market rate. Unpaid labour is not included in profit after rent and finance.
<i>Land expenses</i>	Repairs to building and land resources e.g. hedges, fences, walls, ditches and gates. Also includes water costs.
<i>Finance</i>	Includes bank charges, interest and lease / hire purchase interest. No capital repayments are included.
<b>Gross Margin Data</b>	On a per head basis. Calculated by subtracting the direct (variable) costs from the relevant output.
<i>Other livestock Costs</i>	Purchased bedding materials, sales commission and other costs incurred specifically for livestock enterprises.
<i>Forage variable costs / Forage</i>	Includes other crop costs for forage, fertilisers, forage contracting and grass keep.
<b>Production Costs Data</b>	Calculated by dividing all variable and overhead costs by kilograms of meat (in liveweight terms) or litres of milk produced. Overheads are allocated on a livestock unit basis after a share for any arable and / or miscellaneous income enterprises has been deducted. Ranked by net margin.
<i>Herd / Flock replacement</i>	Breeding livestock valuation change less culls, plus breeding stock purchases.
<i>Power and machinery</i>	Includes machinery repairs, fuel, other contracting and machinery depreciation.
<i>Buildings</i>	Land expenses and building depreciation
<i>Net margin</i>	Output less input costs for enterprise.
<b>Sample sizes</b>	Where sample sizes are five or less farms, data are not shown.

## WHOLE FARM DATA

Number of farms: 153

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
<b>OUTPUTS</b>			
Beef	50,885	358	457
Sheep	57,512	405	502
Crops and forage	3,046	21	23
Basic Payment Scheme	27,165	191	218
Indirect subsidies	6,021	42	57
Income from energy generation	7,075	50	128
Miscellaneous income	10,159	71	103
<b>TOTAL OUTPUTS</b>	<b>161,863</b>	<b>1,138</b>	<b>1,488</b>
<b>INPUTS</b>			
Feeds	24,236	171	182
Tack and grass keep	5,571	39	34
Veterinary and medicines	5,930	42	48
Other livestock costs	9,417	66	74
Fertilisers	8,239	58	63
Other crop costs	2,365	17	17
Allocatable contracting	5,845	41	42
<b>TOTAL VARIABLE COSTS</b>	<b>61,603</b>	<b>434</b>	<b>460</b>
Paid labour	5,300	37	34
Other contracting / machinery hire	870	6	7
Fuel and repairs	15,073	106	116
Machinery depreciation	17,253	121	133
General farming costs	14,694	103	119
Land expenses	4,955	35	40
Buildings depreciation	5,928	42	44
<b>TOTAL OVERHEAD COSTS</b>	<b>64,073</b>	<b>450</b>	<b>493</b>
<b>TOTAL INPUTS</b>	<b>125,676</b>	<b>884</b>	<b>953</b>
<b>PROFIT BEFORE RENT &amp; FINANCE</b>	<b>36,187</b>	<b>254</b>	<b>535</b>
Rent	3,525	25	29
Finance	7,539	53	49
<b>PROFIT AFTER RENT &amp; FINANCE</b>	<b>25,123</b>	<b>176</b>	<b>457</b>
Unpaid labour	8,283	58	75

## HILL CATTLE AND SHEEP FARMS

2023/24

	<b>Owned</b>	<b>Tenant</b>	<b>Mixed</b>
<b>BALANCE SHEET</b>	<b>£/farm</b>	<b>£/farm</b>	<b>£/farm</b>
Number of farms by tenure type	79	7	67
TOTAL ASSETS	2,207,716	288,523	1,786,973
TOTAL LIABILITIES	140,430	63,342	134,566
<b>NET WORTH</b>	<b>2,067,286</b>	<b>225,181</b>	<b>1,652,407</b>
Owner equity (%)	94	78	92

<b>PHYSICAL DATA</b>	<b>All farms</b>	<b>Top third</b>
<b>LAND AREA</b>	<b>Hectares</b>	<b>Hectares</b>
Grassland and forage crops	129.45	118.70
Cereals and other crops	0.72	0.28
Rough grazing, fallow, woods etc.	51.98	69.29
<b>TOTAL AREA (actual)</b>	<b>182.15</b>	<b>188.27</b>
<b>TOTAL AREA (effective)</b>	<b>142.12</b>	<b>131.91</b>

	<b>All farms</b>	<b>Top third</b>
<b>LIVESTOCK</b>	<b>Numbers</b>	<b>Numbers</b>
Suckler cows	35	38
Other cattle	78	81
Breeding sheep	613	637
Other sheep	390	426

<b>PERFORMANCE INDICATORS</b>	<b>All farms</b>	<b>Top third</b>
Lambs reared (numbers per ewe)	1.15	1.21
Finished lamb sales (numbers per ewe)	0.78	0.84
Finished lamb sales (£ per lamb)	106.70	107.27
Calves reared (numbers per cow)	0.87	0.91
Finished cattle sales (£ per head)	1,488	1,628
Store cattle sales (£ per head)	1,105	1,154
Stocking rate (glu/adj. forage ha.)	0.86	0.97

## WHOLE FARM DATA

Number of farms: 92

	All farms £/farm	All farms £/eff.ha.	Top third £/eff.ha.
<b>OUTPUTS</b>			
Beef	7,814	55	76
Sheep	54,404	385	495
Crops and forage	3,672	26	29
Basic Payment Scheme	29,982	212	239
Indirect subsidies	7,357	52	84
Income from energy generation	511	4	9
Miscellaneous income	6,847	49	86
<b>TOTAL OUTPUTS</b>	<b>110,587</b>	<b>783</b>	<b>1,018</b>
<b>INPUTS</b>			
Feeds	15,322	109	120
Tack and grass keep	4,018	28	30
Veterinary and medicines	4,434	31	35
Other livestock costs	5,205	37	44
Fertilisers	4,895	35	38
Other crop costs	1,574	11	15
Allocatable contracting	3,158	22	19
<b>TOTAL VARIABLE COSTS</b>	<b>38,606</b>	<b>273</b>	<b>301</b>
Paid labour	2,780	20	16
Other contracting / machinery hire	667	5	4
Fuel and repairs	10,819	77	87
Machinery depreciation	12,010	85	103
General farming costs	11,832	84	83
Land expenses	3,362	24	33
Buildings depreciation	2,989	21	24
<b>TOTAL OVERHEAD COSTS</b>	<b>44,459</b>	<b>316</b>	<b>350</b>
<b>TOTAL INPUTS</b>	<b>83,065</b>	<b>589</b>	<b>651</b>
<b>PROFIT BEFORE RENT &amp; FINANCE</b>	<b>27,522</b>	<b>194</b>	<b>367</b>
Rent	2,878	20	13
Finance	2,843	20	12
<b>PROFIT AFTER RENT &amp; FINANCE</b>	<b>21,801</b>	<b>154</b>	<b>342</b>
Unpaid labour	6,088	43	41

## HILL SHEEP FARMS

2023/24

	<b>Owned</b>	<b>Tenant</b>	<b>Mixed</b>
<b>BALANCE SHEET</b>	<b>£/farm</b>	<b>£/farm</b>	<b>£/farm</b>
Number of farms by tenure type	50	7	35
TOTAL ASSETS	1,632,604	222,157	1,376,241
TOTAL LIABILITIES	30,582	33,205	37,419
<b>NET WORTH</b>	<b>1,602,022</b>	<b>188,952</b>	<b>1,338,822</b>
Owner equity (%)	98	85	97

<b>PHYSICAL DATA</b>	<b>All farms</b>	<b>Top third</b>
<b>LAND AREA</b>	<b>Hectares</b>	<b>Hectares</b>
Grassland and forage crops	122.50	101.41
Cereals and other crops	0.41	1.21
Rough grazing, fallow, woods etc.	63.50	82.74
<b>TOTAL AREA (actual)</b>	<b>186.41</b>	<b>185.36</b>
<b>TOTAL AREA (effective)</b>	<b>141.13</b>	<b>127.12</b>

<b>LIVESTOCK</b>	<b>All farms</b>	<b>Top third</b>
	<b>Numbers</b>	<b>Numbers</b>
Suckler cows	7	8
Other cattle	13	12
Breeding sheep	760	724
Other sheep	418	413

<b>PERFORMANCE INDICATORS</b>	<b>All farms</b>	<b>Top third</b>
Lambs reared (numbers per ewe)	1.05	1.20
Finished lamb sales (numbers per ewe)	0.60	0.75
Finished lamb sales (£ per lamb)	97.91	100.69
Calves reared (numbers per cow)	0.86	0.92
Finished cattle sales (£ per head)	1,585	1,726
Store cattle sales (£ per head)	1,031	1,156
Stocking rate (glu/adj. forage ha.)	0.56	0.59

**UPLAND CATTLE AND SHEEP FARMS****2023/24****WHOLE FARM DATA**

Number of farms: 95

	<b>All farms</b>	<b>All farms</b>	<b>Top third</b>
	<b>£/farm</b>	<b>£/eff.ha.</b>	<b>£/eff.ha.</b>
<b>OUTPUTS</b>			
Beef	43,817	423	507
Sheep	41,938	405	660
Crops and forage	8,975	87	131
Basic Payment Scheme	17,465	168	188
Indirect subsidies	1,511	15	21
Income from energy generation	3,276	32	81
Miscellaneous income	11,150	108	186
<b>TOTAL OUTPUTS</b>	<b>128,132</b>	<b>1,238</b>	<b>1,774</b>
<b>INPUTS</b>			
Feeds	15,961	154	185
Tack and grass keep	3,310	32	44
Veterinary and medicines	4,892	47	53
Other livestock costs	7,567	73	84
Fertilisers	8,360	81	100
Other crop costs	3,134	30	41
Allocatable contracting	5,640	54	61
<b>TOTAL VARIABLE COSTS</b>	<b>48,864</b>	<b>471</b>	<b>568</b>
Paid labour	3,540	34	54
Other contracting / machinery hire	1,530	15	29
Fuel and repairs	11,995	116	142
Machinery depreciation	15,454	149	168
General farming costs	12,449	120	123
Land expenses	4,326	42	47
Buildings depreciation	4,160	40	44
<b>TOTAL OVERHEAD COSTS</b>	<b>53,454</b>	<b>516</b>	<b>607</b>
<b>TOTAL INPUTS</b>	<b>102,318</b>	<b>987</b>	<b>1,175</b>
<b>PROFIT BEFORE RENT &amp; FINANCE</b>	<b>25,814</b>	<b>251</b>	<b>599</b>
Rent	3,613	35	39
Finance	4,576	44	40
<b>PROFIT AFTER RENT &amp; FINANCE</b>	<b>17,625</b>	<b>172</b>	<b>520</b>
Unpaid labour	5,401	52	65

**UPLAND CATTLE AND SHEEP FARMS****2023/24**

	<b>Owned</b>	<b>Tenant</b>	<b>Mixed</b>
<b>BALANCE SHEET</b>	<b>£/farm</b>	<b>£/farm</b>	<b>£/farm</b>
Number of farms by tenure type	52	2	41
TOTAL ASSETS	1,555,769	-	1,545,882
TOTAL LIABILITIES	66,986	-	104,511
<b>NET WORTH</b>	<b>1,488,783</b>	<b>-</b>	<b>1,441,371</b>
Owner equity (%)	96	-	93

<b>PHYSICAL DATA</b>	<b>All farms</b>	<b>Top third</b>
<b>LAND AREA</b>	<b>Hectares</b>	<b>Hectares</b>
Grassland and forage crops	100.49	99.62
Cereals and other crops	2.44	3.98
Rough grazing, fallow, woods etc.	10.63	15.88
<b>TOTAL AREA (actual)</b>	<b>113.56</b>	<b>119.48</b>
<b>TOTAL AREA (effective)</b>	<b>103.67</b>	<b>104.02</b>

<b>LIVESTOCK</b>	<b>All farms</b>	<b>Top third</b>
	<b>Numbers</b>	<b>Numbers</b>
Suckler cows	22	16
Other cattle	73	87
Breeding sheep	381	483
Other sheep	237	331

<b>PERFORMANCE INDICATORS</b>	<b>All farms</b>	<b>Top third</b>
Lambs reared (numbers per ewe)	1.28	1.41
Finished lamb sales (numbers per ewe)	0.96	1.16
Finished lamb sales (£ per lamb)	117.09	122.63
Calves reared (numbers per cow)	0.90	0.93
Finished cattle sales (£ per head)	1,586	1,601
Store cattle sales (£ per head)	1,101	1,150
Stocking rate (glu/adj. forage ha.)	0.93	1.09



## WHOLE FARM DATA

Number of farms: 64

	<b>All farms</b>	<b>All farms</b>	<b>Top third</b>
	<b>£/farm</b>	<b>£/eff.ha.</b>	<b>£/eff.ha.</b>
<b>OUTPUTS</b>			
Beef	62,451	657	920
Sheep	36,113	380	515
Crops and forage	10,420	110	101
Basic Payment Scheme	17,185	181	180
Indirect subsidies	2,032	21	32
Income from energy generation	1,907	20	37
Miscellaneous income	5,174	54	51
<b>TOTAL OUTPUTS</b>	<b>135,282</b>	<b>1,423</b>	<b>1,836</b>
<b>INPUTS</b>			
Feeds	14,869	157	173
Tack and grass keep	3,807	40	55
Veterinary and medicines	3,839	40	38
Other livestock costs	8,693	92	101
Fertilisers	8,903	94	93
Other crop costs	3,955	42	49
Allocatable contracting	6,508	69	61
<b>TOTAL VARIABLE COSTS</b>	<b>50,574</b>	<b>534</b>	<b>570</b>
Paid labour	2,461	26	28
Other contracting / machinery hire	830	9	5
Fuel and repairs	11,482	121	120
Machinery depreciation	12,525	132	137
General farming costs	12,522	132	117
Land expenses	4,219	44	50
Buildings depreciation	3,685	39	43
<b>TOTAL OVERHEAD COSTS</b>	<b>47,724</b>	<b>503</b>	<b>500</b>
<b>TOTAL INPUTS</b>	<b>98,298</b>	<b>1,037</b>	<b>1,070</b>
<b>PROFIT BEFORE RENT &amp; FINANCE</b>	<b>36,984</b>	<b>386</b>	<b>766</b>
Rent	6,881	72	59
Finance	4,285	45	14
<b>PROFIT AFTER RENT &amp; FINANCE</b>	<b>25,818</b>	<b>269</b>	<b>693</b>
Unpaid labour	3,778	40	58

**LOWLAND CATTLE AND SHEEP FARMS****2023/24**

	<b>Owned</b>	<b>Tenant</b>	<b>Mixed</b>
<b>BALANCE SHEET</b>	<b>£/farm</b>	<b>£/farm</b>	<b>£/farm</b>
Number of farms by tenure type	27	12	25
TOTAL ASSETS	1,684,204	249,088	1,353,362
TOTAL LIABILITIES	68,493	32,803	113,809
<b>NET WORTH</b>	<b>1,615,711</b>	<b>216,285</b>	<b>1,239,553</b>
Owner equity (%)	96	87	92

<b>PHYSICAL DATA</b>	<b>All farms</b>	<b>Top third</b>
<b>LAND AREA</b>	<b>Hectares</b>	<b>Hectares</b>
Grassland and forage crops	88.97	95.60
Cereals and other crops	4.06	5.95
Rough grazing, fallow, woods etc.	9.40	5.92
<b>TOTAL AREA (actual)</b>	<b>102.43</b>	<b>107.47</b>
<b>TOTAL AREA (effective)</b>	<b>95.00</b>	<b>102.64</b>

<b>LIVESTOCK</b>	<b>All farms</b>	<b>Top third</b>
	<b>Numbers</b>	<b>Numbers</b>
Suckler cows	22	19
Other cattle	100	139
Breeding sheep	270	282
Other sheep	172	246

<b>PERFORMANCE INDICATORS</b>	<b>All farms</b>	<b>Top third</b>
Lambs reared (numbers per ewe)	1.33	1.47
Finished lamb sales (numbers per ewe)	1.13	1.43
Finished lamb sales (£ per lamb)	125.13	129.77
Calves reared (numbers per cow)	0.92	0.95
Finished cattle sales (£ per head)	1,567	1,628
Store cattle sales (£ per head)	1,166	1,266
Stocking rate (glu/adj. forage ha.)	1.06	1.21

## WHOLE FARM DATA

Number of farms: 59

	<b>All farms</b>	<b>All farms</b>	<b>Top third</b>
	<b>£/farm</b>	<b>£/eff.ha.</b>	<b>£/eff.ha.</b>
<b>OUTPUTS</b>			
Dairy - milk	506,351	3,257	3,721
- other output	15,745	101	209
Other cattle	78,993	508	496
Sheep	18,525	119	52
Crops and forage	4,400	28	20
Basic Payment Scheme	21,450	138	139
Indirect subsidies	381	2	0
Income from energy generation	3,998	26	48
Miscellaneous income	10,322	66	32
<b>TOTAL OUTPUTS</b>	<b>660,165</b>	<b>4,245</b>	<b>4,717</b>
<b>INPUTS</b>			
Feeds	187,804	1,208	1,233
Tack and grass keep	26,483	170	202
Veterinary and medicines	14,956	96	89
Other livestock costs	48,528	312	309
Fertilisers	36,251	233	253
Other crop costs	8,332	54	57
Allocatable contracting	34,768	224	256
<b>TOTAL VARIABLE COSTS</b>	<b>357,122</b>	<b>2,297</b>	<b>2,399</b>
Paid labour	31,958	206	179
Other contracting / machinery hire	1,928	12	11
Fuel and repairs	37,020	238	218
Machinery depreciation	35,384	228	211
General farming costs	39,951	257	240
Land expenses	15,070	97	119
Buildings depreciation	22,161	143	166
<b>TOTAL OVERHEAD COSTS</b>	<b>183,472</b>	<b>1,181</b>	<b>1,144</b>
<b>TOTAL INPUTS</b>	<b>540,594</b>	<b>3,478</b>	<b>3,543</b>
<b>PROFIT BEFORE RENT &amp; FINANCE</b>	<b>119,571</b>	<b>767</b>	<b>1,174</b>
Rent	9,214	59	26
Finance	34,067	219	106
<b>PROFIT AFTER RENT &amp; FINANCE</b>	<b>76,290</b>	<b>489</b>	<b>1,042</b>
Unpaid labour	19,562	126	144

# HILL AND UPLAND DAIRY FARMS

2023/24

	Owned £/farm	Tenant £/farm	Mixed £/farm
<b>BALANCE SHEET</b>			
Number of farms by tenure type	22	2	35
TOTAL ASSETS	2,999,600	-	2,569,873
TOTAL LIABILITIES	541,847	-	812,516
<b>NET WORTH</b>	<b>2,457,753</b>	-	<b>1,757,357</b>
Owner equity (%)	82	-	68

<b>PHYSICAL DATA</b>	<b>All farms</b>	<b>Top third</b>
<b>LAND AREA</b>	<b>Hectares</b>	<b>Hectares</b>
Grassland and forage crops	151.04	139.77
Cereals and other crops	1.76	0.00
Rough grazing, fallow, woods etc.	13.07	12.15
<b>TOTAL AREA (actual)</b>	<b>165.87</b>	<b>151.92</b>
<b>TOTAL AREA (effective)</b>	<b>155.48</b>	<b>142.26</b>

<b>LIVESTOCK</b>	<b>All farms</b>	<b>Top third</b>
	<b>Numbers</b>	<b>Numbers</b>
Dairy cattle	191	179
Suckler cows	2	0
Other cattle	171	148
Breeding sheep	181	66
Other sheep	97	34

<b>PERFORMANCE INDICATORS</b>	<b>All farms</b>	<b>Top third</b>
Milk yield (litres per cow)	6,943	7,476
Margin over concentrates (£ per cow)	1,825	2,138
Milk disposal (£ per cow)	2,630	2,944
Milk price (pence per litre)	38.41	39.79
Stocking rate (glu/adj. forage ha.)	1.99	1.90

**LOWLAND DAIRY FARMS****2023/24****WHOLE FARM DATA**

Number of farms: 55

	<b>All farms</b>	<b>All farms</b>	<b>Top third</b>
	<b>£/farm</b>	<b>£/eff.ha.</b>	<b>£/eff.ha.</b>
<b>OUTPUTS</b>			
Dairy - milk	695,863	4,266	5,238
- other output	12,713	78	70
Other cattle	88,834	545	634
Sheep	3,736	23	48
Crops and forage	14,595	89	68
Basic Payment Scheme	22,647	139	130
Indirect subsidies	803	5	1
Income from energy generation	3,076	19	23
Miscellaneous income	6,585	40	48
<b>TOTAL OUTPUTS</b>	<b>848,852</b>	<b>5,204</b>	<b>6,260</b>
<b>INPUTS</b>			
Feeds	251,408	1,541	1,722
Tack and grass keep	28,957	178	300
Veterinary and medicines	19,535	120	128
Other livestock costs	65,899	404	411
Fertilisers	39,824	244	250
Other crop costs	18,602	114	120
Allocatable contracting	50,713	311	327
<b>TOTAL VARIABLE COSTS</b>	<b>474,938</b>	<b>2,912</b>	<b>3,258</b>
Paid labour	57,720	354	315
Other contracting / machinery hire	1,657	10	12
Fuel and repairs	48,942	300	278
Machinery depreciation	41,754	256	240
General farming costs	58,752	360	324
Land expenses	16,262	100	89
Buildings depreciation	30,319	186	249
<b>TOTAL OVERHEAD COSTS</b>	<b>255,406</b>	<b>1,566</b>	<b>1,507</b>
<b>TOTAL INPUTS</b>	<b>730,344</b>	<b>4,478</b>	<b>4,765</b>
<b>PROFIT BEFORE RENT &amp; FINANCE</b>	<b>118,508</b>	<b>726</b>	<b>1,495</b>
Rent	17,394	107	52
Finance	27,129	166	194
<b>PROFIT AFTER RENT &amp; FINANCE</b>	<b>73,985</b>	<b>453</b>	<b>1,249</b>
Unpaid labour	20,183	124	149

**LOWLAND DAIRY FARMS****2023/24**

	<b>Owned</b>	<b>Tenant</b>	<b>Mixed</b>
<b>BALANCE SHEET</b>	<b>£/farm</b>	<b>£/farm</b>	<b>£/farm</b>
Number of farms by tenure type	20	4	31
TOTAL ASSETS	3,085,303	-	3,383,849
TOTAL LIABILITIES	196,656	-	838,487
<b>NET WORTH</b>	<b>2,888,647</b>	<b>-</b>	<b>2,545,362</b>
Owner equity (%)	94	-	75

<b>PHYSICAL DATA</b>	<b>All farms</b>	<b>Top third</b>
<b>LAND AREA</b>	<b>Hectares</b>	<b>Hectares</b>
Grassland and forage crops	151.90	161.54
Cereals and other crops	8.11	5.46
Rough grazing, fallow, woods etc.	13.22	7.05
<b>TOTAL AREA (actual)</b>	<b>173.23</b>	<b>174.05</b>
<b>TOTAL AREA (effective)</b>	<b>163.12</b>	<b>167.38</b>

	<b>All farms</b>	<b>Top third</b>
<b>LIVESTOCK</b>	<b>Numbers</b>	<b>Numbers</b>
Dairy cattle	231	263
Suckler cows	1	0
Other cattle	210	225
Breeding sheep	42	54
Other sheep	26	60

<b>PERFORMANCE INDICATORS</b>	<b>All farms</b>	<b>Top third</b>
Milk yield (litres per cow)	7,736	8,277
Margin over concentrates (£ per cow)	2,093	2,382
Milk disposal (£ per cow)	3,006	3,330
Milk price (pence per litre)	39.12	40.50
Stocking rate (glu/adj. forage ha.)	2.17	2.38

**GROSS MARGINS: HILL SHEEP**

	<b>2023/24</b>	
	<b>All flocks</b>	<b>Top third</b>
Number of flocks in sample	195	65
Flock size (ewes and ewe lambs put to ram)	594	561
Lambs reared (numbers per ewe)	1.11	1.29

**ENTERPRISE OUTPUT**

	<b>£ per ewe</b>	<b>£ per ewe</b>
Lamb sales - store	9.80	7.01
- finished	75.26	108.23
Other sheep sales	22.24	29.66
Wool sales	0.73	0.81
Miscellaneous	0.05	0.05
Valuation change	2.84	3.07
Sheep purchases	-10.96	-13.58
<b>TOTAL ENTERPRISE OUTPUT</b>	<b>99.96</b>	<b>135.25</b>

**VARIABLE COSTS**

Concentrates and bulk feed	22.50	20.86
Stock keep	3.37	2.37
Veterinary and medicines	7.08	8.35
Other livestock costs	8.20	9.92
Allocatable contracting	2.01	1.78
Forage variable costs	13.74	14.57
<b>TOTAL VARIABLE COSTS</b>	<b>56.90</b>	<b>57.85</b>

**GROSS MARGIN****43.06      77.40****GROSS MARGINS: UPLAND SHEEP**

	<b>2023/24</b>	
	<b>All flocks</b>	<b>Top third</b>
Number of flocks in sample	68	23
Flock size (ewes and ewe lambs put to ram)	453	507
Lambs reared (numbers per ewe)	1.28	1.47

**ENTERPRISE OUTPUT**

	<b>£ per ewe</b>	<b>£ per ewe</b>
Lamb sales - store	7.08	5.80
- finished	119.11	149.33
Other sheep sales	24.06	27.06
Wool sales	0.78	0.86
Miscellaneous	0.14	0.00
Valuation change	3.50	10.55
Sheep purchases	-18.57	-24.52
<b>TOTAL ENTERPRISE OUTPUT</b>	<b>136.10</b>	<b>169.08</b>

**VARIABLE COSTS**

Concentrates and bulk feed	22.52	21.75
Stock keep	1.88	2.26
Veterinary and medicines	8.77	9.20
Other livestock costs	10.42	11.01
Allocatable contracting	2.15	2.32
Forage variable costs	22.05	17.94
<b>TOTAL VARIABLE COSTS</b>	<b>67.79</b>	<b>64.48</b>

**GROSS MARGIN****68.31      104.60**

<b>GROSS MARGINS: LOWLAND SHEEP</b>		
	<b>All flocks</b>	<b>Top third</b>
Number of flocks in sample	36	12
Flock size (ewes and ewe lambs put to ram)	389	441
Lambs reared (numbers per ewe)	1.33	1.52
<b>ENTERPRISE OUTPUT</b>	<b>£ per ewe</b>	<b>£ per ewe</b>
Lamb sales - store	3.75	0.34
- finished	147.78	203.37
Other sheep sales	22.27	27.81
Wool sales	0.67	0.76
Miscellaneous	0.00	0.00
Valuation change	0.09	4.97
Sheep purchases	-25.23	-40.63
<b>TOTAL ENTERPRISE OUTPUT</b>	<b>149.33</b>	<b>196.62</b>
<b>VARIABLE COSTS</b>		
Concentrates and bulk feed	22.11	27.02
Stock keep	1.87	2.27
Veterinary and medicines	8.48	9.45
Other livestock costs	11.71	14.63
Allocatable contracting	3.04	2.08
Forage variable costs	16.98	16.79
<b>TOTAL VARIABLE COSTS</b>	<b>64.19</b>	<b>72.24</b>
<b>GROSS MARGIN</b>	<b>85.14</b>	<b>124.38</b>

<b>GROSS MARGINS: LOWLAND SUCKLER COWS</b>		
	<b>All herds</b>	<b>Top third</b>
Number of herds in sample	23	8
Herd size (breeding cows)	60	37
Calves reared (numbers per cow)	0.91	0.99
Finished cattle sales (£ per head)	1,517	1,649
Store cattle sales (£ per head)	1,093	1,271
<b>ENTERPRISE OUTPUT</b>	<b>£ per cow</b>	<b>£ per cow</b>
Calf and store cattle sales	781.63	568.42
Bull and cow sales	197.37	272.79
Finished cattle sales	459.53	1,084.23
Valuation change	-106.90	-73.71
Cattle purchases	-178.76	-234.58
<b>TOTAL ENTERPRISE OUTPUT</b>	<b>1,152.87</b>	<b>1,617.15</b>
<b>VARIABLE COSTS</b>		
Concentrates and bulk feed	221.99	226.11
Veterinary and medicines	42.08	42.39
Other livestock costs	114.24	112.91
Allocatable contracting	20.49	10.01
Forage variable costs	236.78	243.13
<b>TOTAL VARIABLE COSTS</b>	<b>635.58</b>	<b>634.55</b>
<b>GROSS MARGIN</b>	<b>517.29</b>	<b>982.60</b>



<b>GROSS MARGINS: UPLAND SUCKLER COWS</b>		<b>2023/24</b>
	<b>All herds</b>	<b>Top third</b>
Number of herds in sample	33	11
Herd size (breeding cows)	47	50
Calves reared (numbers per cow)	0.89	0.91
Finished cattle sales (£ per head)	1,617	1,651
Store cattle sales (£ per head)	1,122	1,217
<b>ENTERPRISE OUTPUT</b>	<b>£ per cow</b>	<b>£ per cow</b>
Calf and store cattle sales	875.48	826.29
Bull and cow sales	233.29	299.58
Finished cattle sales	320.69	577.86
Valuation change	-39.28	-33.82
Cattle purchases	-275.63	-282.59
<b>TOTAL ENTERPRISE OUTPUT</b>	<b>1,114.55</b>	<b>1,387.32</b>
<b>VARIABLE COSTS</b>		
Concentrates and bulk feed	182.72	180.70
Veterinary and medicines	63.82	57.12
Other livestock costs	110.79	102.87
Allocatable contracting	13.17	17.21
Forage variable costs	224.62	169.25
<b>TOTAL VARIABLE COSTS</b>	<b>595.12</b>	<b>527.15</b>
<b>GROSS MARGIN</b>	<b>519.43</b>	<b>860.17</b>

<b>GROSS MARGINS: HILL SUCKLER COWS</b>		
	<b>All herds</b>	<b>Top third</b>
Number of herds in sample	97	32
Herd size (breeding cows)	40	43
Calves reared (numbers per cow)	0.88	0.93
Finished cattle sales (£ per head)	1,623	1,716
Store cattle sales (£ per head)	1,132	1,213
<b>ENTERPRISE OUTPUT</b>	<b>£ per cow</b>	<b>£ per cow</b>
Calf and store cattle sales	876.01	878.61
Bull and cow sales	182.28	185.03
Finished cattle sales	288.40	544.12
Valuation change	13.07	9.73
Cattle purchases	-259.06	-246.91
<b>TOTAL ENTERPRISE OUTPUT</b>	<b>1,100.70</b>	<b>1,370.58</b>
<b>VARIABLE COSTS</b>		
Concentrates and bulk feed	228.33	216.35
Veterinary and medicines	44.89	44.50
Other livestock costs	105.98	102.51
Allocatable contracting	9.07	6.70
Forage variable costs	182.96	168.33
<b>TOTAL VARIABLE COSTS</b>	<b>571.23</b>	<b>538.39</b>
<b>GROSS MARGIN</b>	<b>529.47</b>	<b>832.19</b>

<b>GROSS MARGINS: HILL AND UPLAND DAIRY</b>		<b>2023/24</b>
	<b>All herds</b>	<b>Top third</b>
Number of herds in sample	58	19
Herd size (dairy cows)	192	176
Milk yield (litres per cow)	6,942	8,500
Milk price (pence per litre)	38.40	40.18
<b>ENTERPRISE OUTPUT</b>	<b>£ per cow</b>	<b>£ per cow</b>
Milk	2,664.48	3,414.74
Calves	172.74	207.32
Bull and cow sales	282.20	502.79
Valuation change	17.60	4.40
Cattle purchases	-388.86	-473.03
<b>TOTAL ENTERPRISE OUTPUT</b>	<b>2,748.16</b>	<b>3,656.22</b>
<b>VARIABLE COSTS</b>		
Concentrates and bulk feed	856.93	1,082.07
Veterinary and medicines	61.97	87.26
Other livestock costs	206.64	258.92
Allocatable contracting	53.48	41.84
Forage variable costs	256.94	296.37
<b>TOTAL VARIABLE COSTS</b>	<b>1,435.96</b>	<b>1,766.46</b>
<b>GROSS MARGIN</b>	<b>1,312.20</b>	<b>1,889.76</b>

<b>GROSS MARGINS: LOWLAND DAIRY</b>		
	<b>All herds</b>	<b>Top third</b>
Number of herds in sample	51	17
Herd size (dairy cows)	232	270
Milk yield (litres per cow)	7,816	9,342
Milk price (pence per litre)	39.19	39.92
<b>ENTERPRISE OUTPUT</b>	<b>£ per cow</b>	<b>£ per cow</b>
Milk	3,061.88	3,728.57
Calves	152.86	163.71
Bull and cow sales	246.01	310.22
Valuation change	31.22	55.51
Cattle purchases	-392.75	-494.59
<b>TOTAL ENTERPRISE OUTPUT</b>	<b>3,099.22</b>	<b>3,763.42</b>
<b>VARIABLE COSTS</b>		
Concentrates and bulk feed	1,000.06	1,144.91
Veterinary and medicines	72.96	91.62
Other livestock costs	250.84	303.01
Allocatable contracting	76.16	92.06
Forage variable costs	266.57	271.65
<b>TOTAL VARIABLE COSTS</b>	<b>1,666.59</b>	<b>1,903.25</b>
<b>GROSS MARGIN</b>	<b>1,432.63</b>	<b>1,860.17</b>

**LAMB PRODUCTION COSTS****2023/24**

<b>Pence per kg liveweight</b>	<b>All farms</b>	<b>Top third</b>	<b>Bottom third</b>
Number of farms	127	42	42
Feed	55.74	41.48	67.21
Veterinary and medicines	16.49	14.92	18.78
Other livestock costs	25.19	24.17	27.09
Forage	34.68	29.68	37.70
<b>TOTAL VARIABLE COSTS</b>	<b>132.10</b>	<b>110.25</b>	<b>150.78</b>
<b>FLOCK REPLACEMENT</b>	<b>26.67</b>	<b>20.20</b>	<b>32.39</b>
Paid labour	10.24	5.19	18.70
Power and machinery	64.22	39.33	94.17
Buildings	17.55	12.76	23.81
General farm costs	31.68	20.71	43.29
Rent	9.68	9.43	12.41
Finance	8.96	6.56	14.29
<b>TOTAL OVERHEAD COSTS</b>	<b>142.33</b>	<b>93.98</b>	<b>206.67</b>
<b>TOTAL COSTS</b>	<b>301.10</b>	<b>224.43</b>	<b>389.84</b>
<b>NET MARGIN</b>	<b>-25.49</b>	<b>60.97</b>	<b>-120.21</b>
Lambs reared (nos. per ewe)	1.24	1.37	1.14
Flock size	527	569	508
Average lamb liveweight (kg)	40.99	42.86	39.43

**MILK PRODUCTION COSTS**

<b>Pence per litre</b>	<b>All farms</b>	<b>Top third</b>	<b>Bottom third</b>
Number of farms	109	36	36
Feed	11.94	10.80	12.93
Veterinary and medicines	0.92	0.83	0.92
Other livestock costs	3.94	3.44	4.77
Forage	3.68	3.51	3.81
<b>TOTAL VARIABLE COSTS</b>	<b>20.48</b>	<b>18.58</b>	<b>22.43</b>
<b>HERD REPLACEMENT</b>	<b>1.38</b>	<b>-0.22</b>	<b>2.56</b>
Paid labour	1.34	1.16	1.64
Power and machinery	3.52	3.19	3.84
Buildings	1.75	1.98	1.70
General farm costs	2.27	1.95	2.70
Rent	0.58	0.53	0.73
Finance	1.25	0.98	1.52
<b>TOTAL OVERHEAD COSTS</b>	<b>10.71</b>	<b>9.79</b>	<b>12.13</b>
<b>TOTAL COSTS</b>	<b>32.57</b>	<b>28.15</b>	<b>37.12</b>
<b>NET MARGIN</b>	<b>8.12</b>	<b>14.03</b>	<b>1.88</b>
Margin over concentrates	26.89	29.43	24.38
Milk price	38.23	39.59	36.67

**BEEF PRODUCTION COSTS: SUCKLED CALF** **2023/24**

<b>Pence per kg liveweight</b>	<b>All farms</b>	<b>Top third</b>	<b>Bottom third</b>
Number of farms	30	10	10
Feed	18.86	11.09	37.90
Veterinary and medicines	11.60	8.34	13.52
Other livestock costs	20.21	13.16	24.74
Forage	38.23	28.76	42.54
<b>TOTAL VARIABLE COSTS</b>	<b>88.90</b>	<b>61.35</b>	<b>118.70</b>
<b>HERD REPLACEMENT</b>	<b>-3.09</b>	<b>-15.34</b>	<b>8.33</b>
Paid labour	9.66	1.45	19.07
Power and machinery	65.68	51.08	94.37
Buildings	21.69	12.81	27.41
General farm costs	32.36	24.84	39.40
Rent	7.05	3.74	14.35
Finance	5.67	0.50	10.40
<b>TOTAL OVERHEAD COSTS</b>	<b>142.11</b>	<b>94.42</b>	<b>205.00</b>
<b>TOTAL COSTS</b>	<b>227.92</b>	<b>140.43</b>	<b>332.03</b>
<b>NET MARGIN</b>	<b>-17.39</b>	<b>77.17</b>	<b>-121.06</b>

Suckled calf production covers suckler cow and calf costs up to weaning.

**BEEF PRODUCTION COSTS: FINISHING**

<b>Pence per kg liveweight</b>	<b>All farms</b>	<b>Top six</b>	<b>Bottom six</b>
Number of farms	13	6	6
Feed	121.83	87.22	159.67
Veterinary and medicines	5.71	3.48	8.20
Other livestock costs	37.63	31.70	46.92
Forage	63.63	42.97	90.23
<b>TOTAL VARIABLE COSTS</b>	<b>228.80</b>	<b>165.37</b>	<b>305.02</b>
Paid labour	8.31	7.46	10.53
Power and machinery	89.79	68.51	117.48
Buildings	25.81	11.92	39.87
General farm costs	32.70	29.12	38.19
Rent	14.25	14.38	16.50
Finance	4.63	0.46	9.55
<b>TOTAL OVERHEAD COSTS</b>	<b>175.49</b>	<b>131.85</b>	<b>232.12</b>
<b>TOTAL COSTS</b>	<b>404.29</b>	<b>297.22</b>	<b>537.14</b>
<b>NET MARGIN</b>	<b>-15.12</b>	<b>111.34</b>	<b>-144.79</b>

Finishing enterprises include those purchasing young and forward store cattle, as well as those finishing weaned home-bred calves.

## Farm Profit Demands

Profit is required to fund:

- Personal drawings from the business,
- Loan (capital) repayments,
- Capital expenditure / investment,
- Personal taxation, and
- Risk and reward of entrepreneurial endeavour

The following calculation helps determine if there is sufficient profit to provide adequate cash resources:

### Profit as shown in accounts

**Plus:** Depreciation charges for year  
Opening stocks (livestock and deadstock)  
Opening debtors and closing creditors  
Loans / HP advanced and capital introduced  
Machinery and land sales

**Less:** Closing stocks (livestock and deadstock)  
Closing debtors and opening creditors  
Produce used / consumed on the farm

**Equals:** Cash available to meet commitments

**Less:** Personal drawings from the business  
Loan / HP (capital) repayments  
Capital expenditure / investment  
Personal taxation

**Equals:** Annual Net Cash Flow (ANCF)

Ideally the ANCF should be positive in most years (seen as an improvement in farm bank balances / indebtedness). The key influences on the likelihood of a positive ANCF tend to be the following items:

- Size of profit
- Level of private drawings
- Capital expenditure
- Loan / HP repayments

Negative ANCFs (i.e. insufficient farm profitability and / or large cash demands) can significantly affect the viability of the business in the long term.