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Rural Business Research

Farm Business Survey

2007/2008

Horticulture Production in England



Richard Crane and Rod Vaughan

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independent research, data and analysis

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Farm Business Survey

2007/08

Horticulture Production in England

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Foreword to the First Series

This report is one of a series being produced based on the results of the Farm Business Survey (FBS) for England. The annual Farm Business Survey is the most comprehensive and independent survey of farm incomes and provides a definitive data source on the economic and physical performance of farm businesses in England. It is conducted by a Consortium comprising the Universities of Cambridge, Newcastle upon Tyne, Nottingham and Reading, and Askham Bryan, Duchy and Imperial Colleges. The Consortium is lead by the University of Nottingham and its members work in partnership, using uniform and standard practices in reporting on their findings to ensure consistent data quality, accuracy and validity. The Survey is financed by Defra and the Consortium values greatly the input of their staff.

These detailed reports for various farm types and enterprises are in addition to the comprehensive Farm Business Survey Reports for Government Office Regions published at www.farmbusinesssurvey.co.uk. The Consortium is seeking by these additional reports to ensure that timely and relevant information is available to farmers, consultants, advisers and other organisations and individuals interested in farming and land management. The analysis and publication of these reports uses data from farm businesses across England, with an individual member of the Consortium undertaking the research analysis. In line with the ethos of the Consortium, these reports present results in such a way as to ensure a significant element of continuity and consistency from one report to the other, whilst also ensuring that each report captures the contemporary issues of relevance to the sector of agriculture in England to which it relates.

We believe these new reports will make a valuable and useful contribution to the farming industry and we commend them to you.

Prof. Martin Seabrook

(Chief Executive of the Consortium)

Spring 2007

Foreword to the Third Series

Agricultural history in the UK records many regulations, policies and plans designed to enable agriculture and horticulture to meet the contemporary challenges of the day. The Marketing Acts of the 1930s, the UK's entry to the Common Agricultural Policy, Milk Quotas, Set-Aside, Cross-Compliance; the list is extensive. Common across all these examples, and inherent in their inception, is the variability and uncertainty faced by the industry. The last 18 months have witnessed renewed unpredictability in the incomes of UK farmers and growers. In the 21st Century the emphasis on freeing up markets leads farmers and growers to be increasingly reliant upon business planning and decision making in the face of uncertainty. With such uncertainty, the need for independent data to aid farmers, growers and their advisors is paramount and one which *Rural Business Research* continues to provide based upon comprehensive analysis of independent data from the Farm Business Survey for England. The third series of these influential reports highlights the changing economic landscape faced by farmers and growers during the 2007/08 financial year and place in context the profitability and vulnerability of different sectors of the industry. Complementing these reports are *Rural Business Research's* free-to-use on-line services, providing comprehensive Farm Business Survey Reports for Government Office Regions and farm business benchmarking at www.farmbusinesssurvey.co.uk.

Rural Business Research's aim, in providing these reports and data services, is to facilitate individuals and organisations working in agriculture, horticulture, land management and rural development, through the provision of independent data, research and analysis. As part of our wider engagement we are keen to hear the views of readers and users of our reports and data-services; supporting our dedicated outreach web-site www.ruralbusinessresearch.co.uk is our email alert network which promptly highlights our new publications and outputs to interested parties. If you would like your details to be added to our email alert network or wish to comment on our reports, please email paul.wilson@nottingham.ac.uk.

As we provide the third series of these influential reports, *Rural Business Research* looks forward to continuing its role at *the* independent organisation responsible for providing analysis and insight to the industry over the coming decade. *Rural Business Research* has recently successfully tendered for the Contract to undertake the Farm Business Survey in England for 2009/10 and beyond; a central aspect of our continued work and analysis of the Farm Business Survey is to further enhance the outreach and knowledge transfer activities we undertake, making even greater use of the data, and engaging with a wider range of practitioners and policy makers working in food production and land use in the UK.

Dr Paul Wilson

Chief Executive Elect, Rural Business Research

Spring 2009

Acknowledgements

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

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The views expressed in this publication are those of the authors and are not necessarily shared by other members of the University or by the University as a whole.

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SECTION 1: THE HORTICULTURAL SECTOR

1.1 Introduction

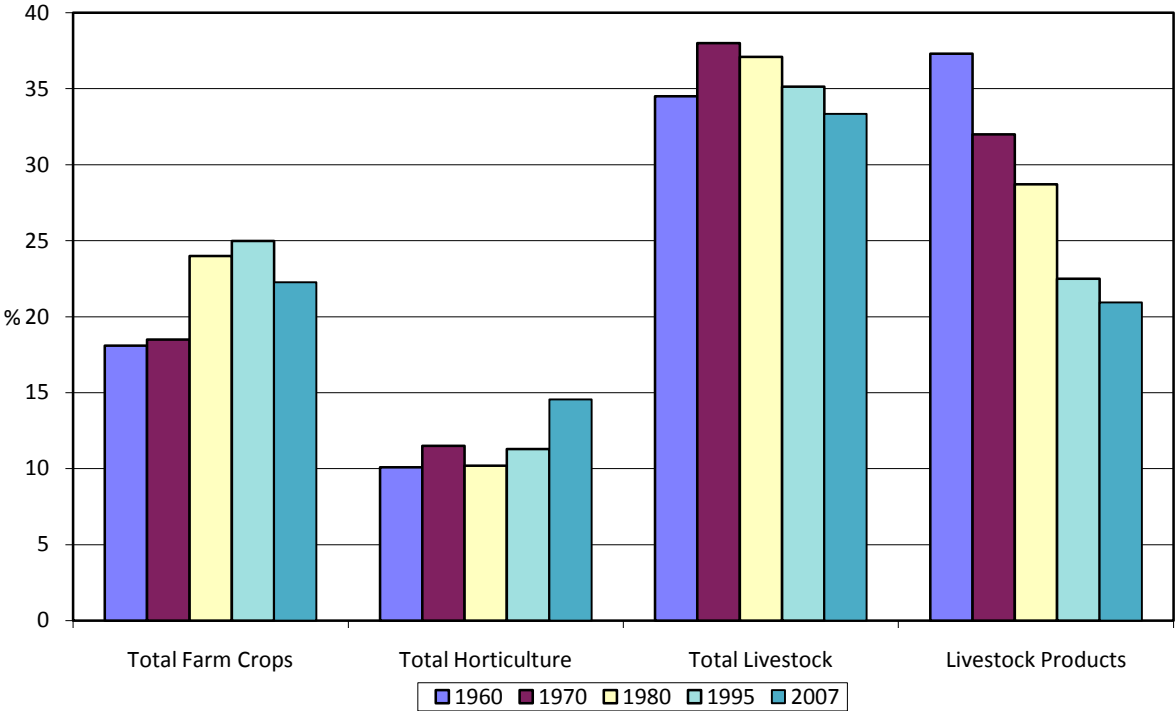
This section of the report gives an overview of the horticultural sector, showing the main components of horticultural output. The data is displayed over several periods of time, to show how the output and area of each sector of horticulture has changed.

This section also looks at the value of imports and exports of horticulture, producer and production prices.

1.2 The contribution of horticulture to UK agricultural output

Horticulture’s share of total agricultural output has increased by 4% since 1960, and in 2007 was 14.6% of total agricultural output in the UK. In monetary terms, UK produced horticultural crops amounted to £2,289 million in 2007. During the same period, other crop output has increased, and is now 22.3% of agricultural output. However, the value of livestock products, whilst decreasing in recent years, saw a slight increase on 2006 figures, to 20.9%. During the period livestock output remained fairly static, however, in 2007 it had reduced slightly to 33.3% of total agricultural output. The output from crops and livestock does not include ‘Single payment and other decoupled subsidies’.

Figure 1.1 Composition of total UK agricultural output (%)¹



¹ Source: *Agriculture in the UK*, Defra

1.3 The change in the composition of the main sectors of horticulture (1972-2007)

The following figures focus on the relative importance of the three main sectors of horticulture, namely vegetables, fruit and non-edibles (ornamentals). All sectors include both field grown and protected crops (crops grown under glass and polythene tunnels).

Figure 1.2 Composition of horticultural output (%)²

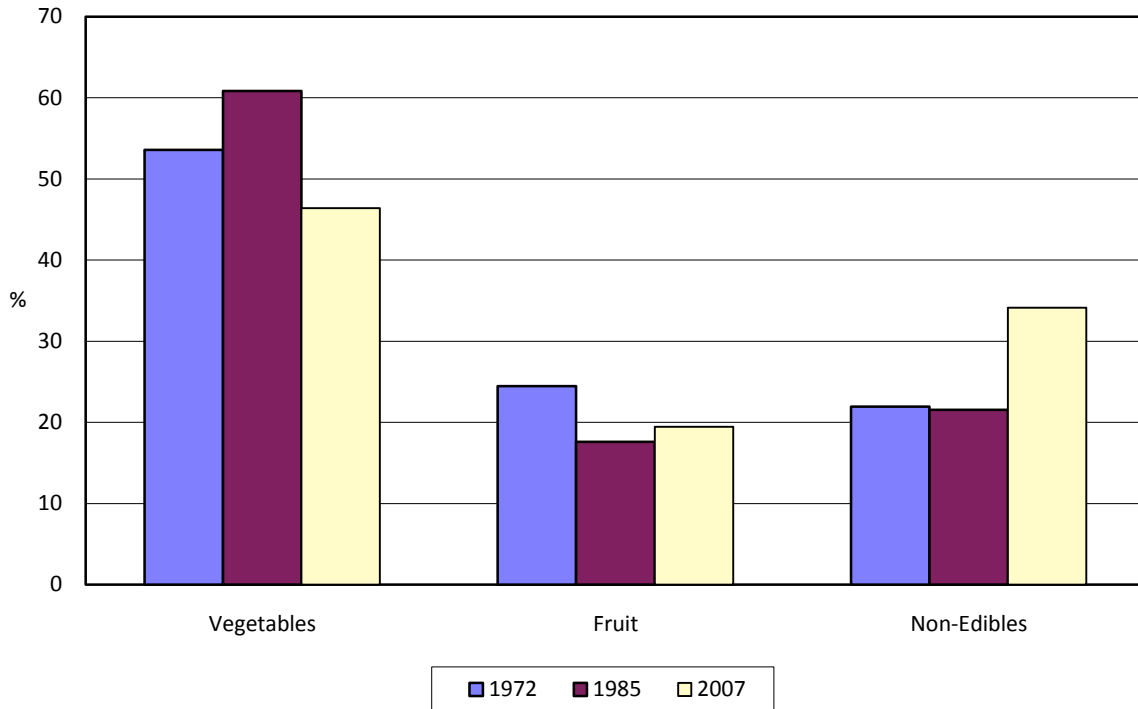


Figure 1.2 shows the composition of horticultural output for the last thirty six years, from the early 1970s up to 2007. In the last twenty years the ornamental sector has increased considerably, and now accounts for 34% of total horticultural output in the UK. However, in the last thirty six years the fruit sector has declined from 24% in the early 1970s to 19% in 2007. The vegetable sector accounts for almost half of the horticultural output in the UK, having declined by over 10% in the past twenty years.

² Source: *Agriculture in the UK*, Defra

Figure 1.3 Composition of the horticultural area (%)³

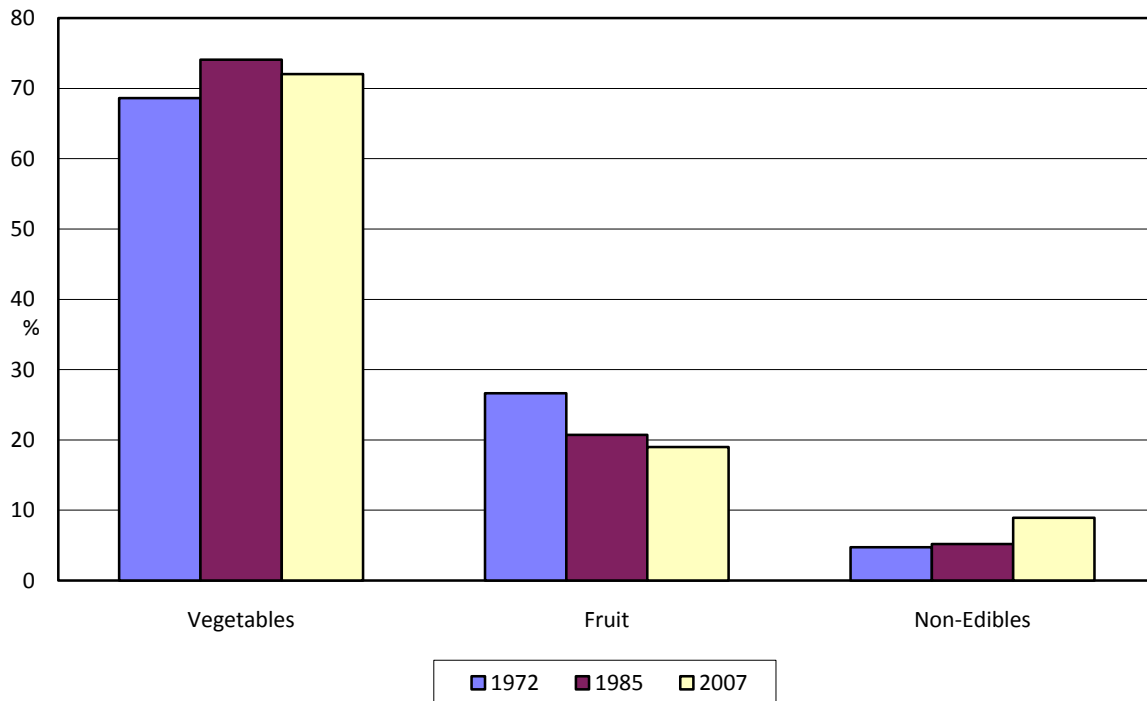


Figure 1.3 shows the composition of the horticultural area for the last thirty six years, from the early 1970s up to 2007. The area relates to the total area on which crops are grown. For some crops, more than one crop is harvested from the same area of land during the year. When these areas are multiple cropped the area is added to the total area cropped. In this period the total horticultural area has declined from 283,000 hectares to 168,000 in 2007, a fall of 41%.

Although vegetables account for 47% of horticultural output in 2007, this sector utilises almost three quarters of the horticultural area. The area of non-edibles is currently around 9% of the total horticultural area, although it accounts for 34% of horticultural output. The fruit area as for fruit output has declined, and is now only 19% of total horticultural area and horticultural output.

1.4 Horticultural production (1998-2007)

Figure 1.4 shows the change in the composition of horticultural output over the last ten years divided between the main sectors of horticulture. All the values shown are at current prices.

Figures 1.5 to 1.8 show the areas of the outdoor crops of field scale vegetables, orchard fruit, soft fruit and non-edibles, and protected crops of vegetables, non-edibles and glasshouse fruit. All the areas are recorded in hectares, although the scale in each graph is different. As in the previous section, the area of crops takes account of multiple cropping.

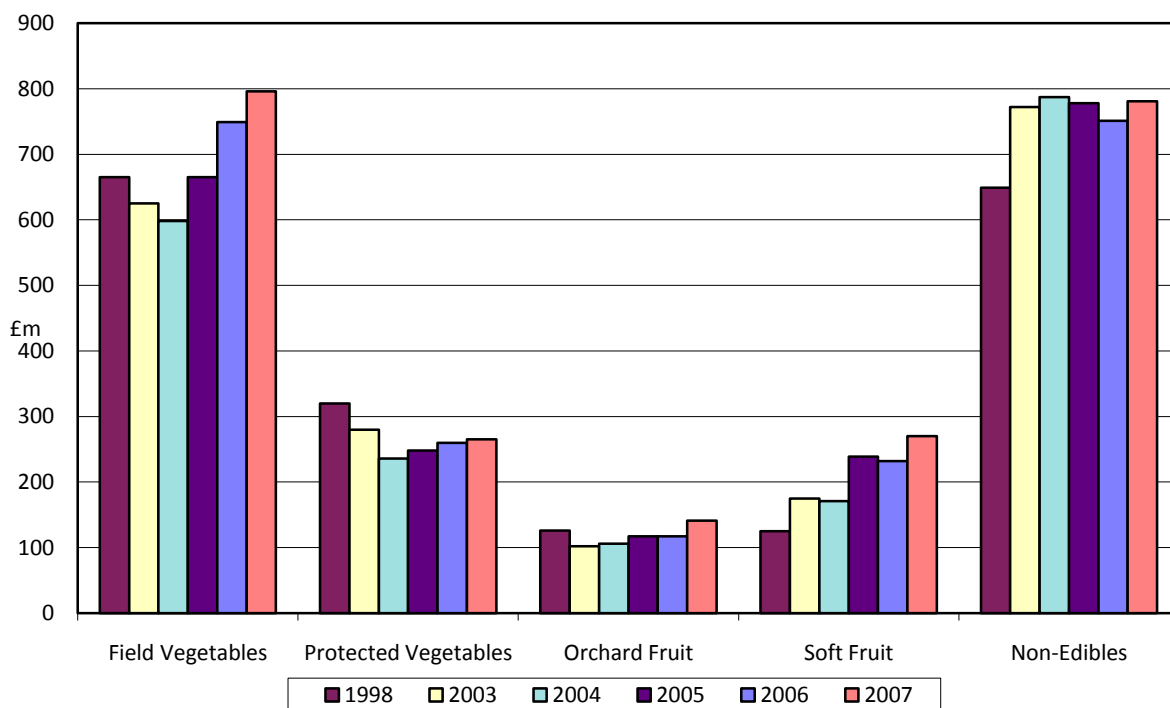
The ornamental sector had seen the largest increase in output up to early 2000, increasing by 20%. This output decreased in 2005 and 2006, but has increased again in 2007, to £781 million. Of which 65% of the output came from ornamental crops grown in the open and the remaining 35% were grown under protection. The ratio of output derived from outdoor and protected ornamental production systems has remained virtually unchanged over the ten year period.

³ Source: *Agriculture in the UK*, Defra

The greatest percentage increase in output over the past decade has been in soft fruit (including protected fruit) which has increased by 54% since 1998, to £270 million. This can be explained by the large growth in the protected fruit sector from 2001 to 2005. Orchard fruit has also shown a growth in output of 11% since 1998, to £141 million, with a sharp increase in 2007.

By contrast the output of protected vegetables has fallen by 17%. Field vegetable output has shown more variability than the other crops, but has shown a strong increase in the last three years. The protected vegetable category includes mushroom production which accounts for 40% of output from this sector.

Figure 1.4 The value of horticultural production (current prices: £m)⁴



⁴ Source: *Agriculture in the UK 2000 & 2007*, Defra

Figure 1.5 The area of field vegetables⁵

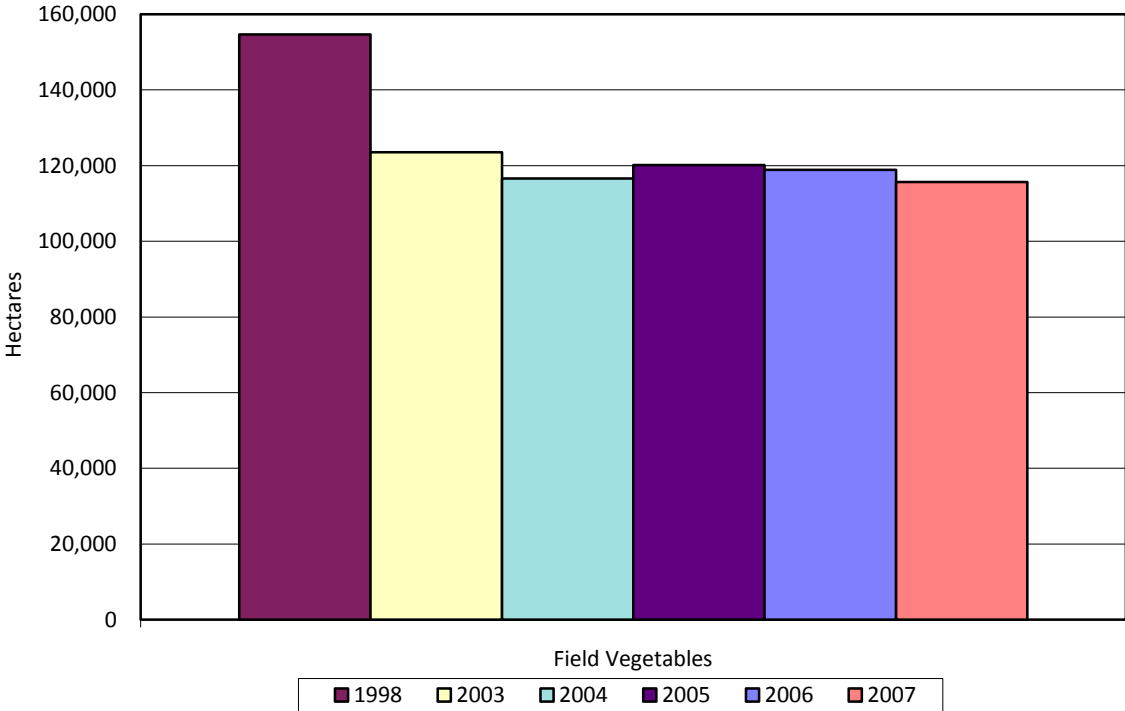
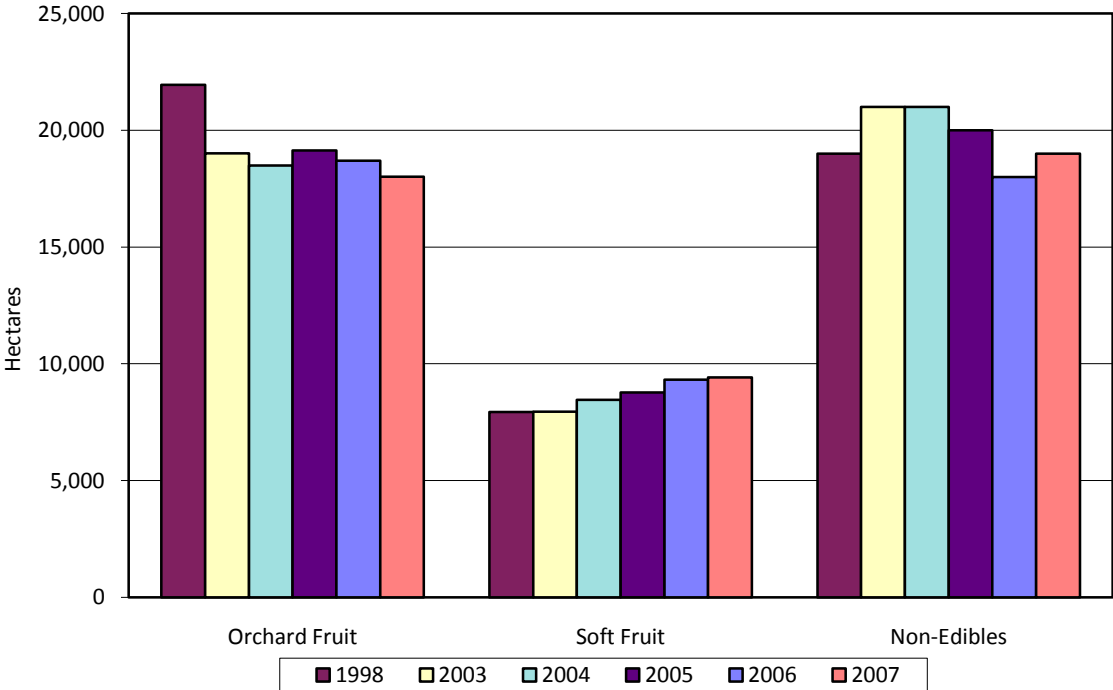


Figure 1.6 The area of other field grown crops⁵



⁵ Source: Agriculture in the UK 2000 & 2007, Defra

Figure 1.7 The area of protected crops⁶

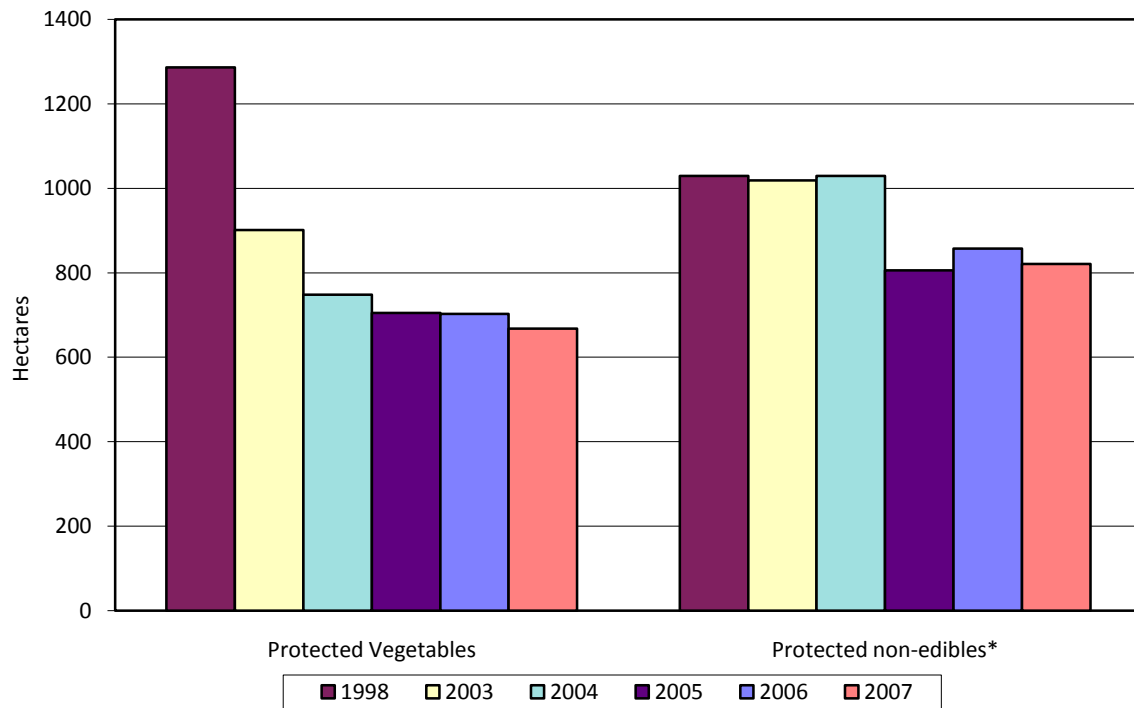
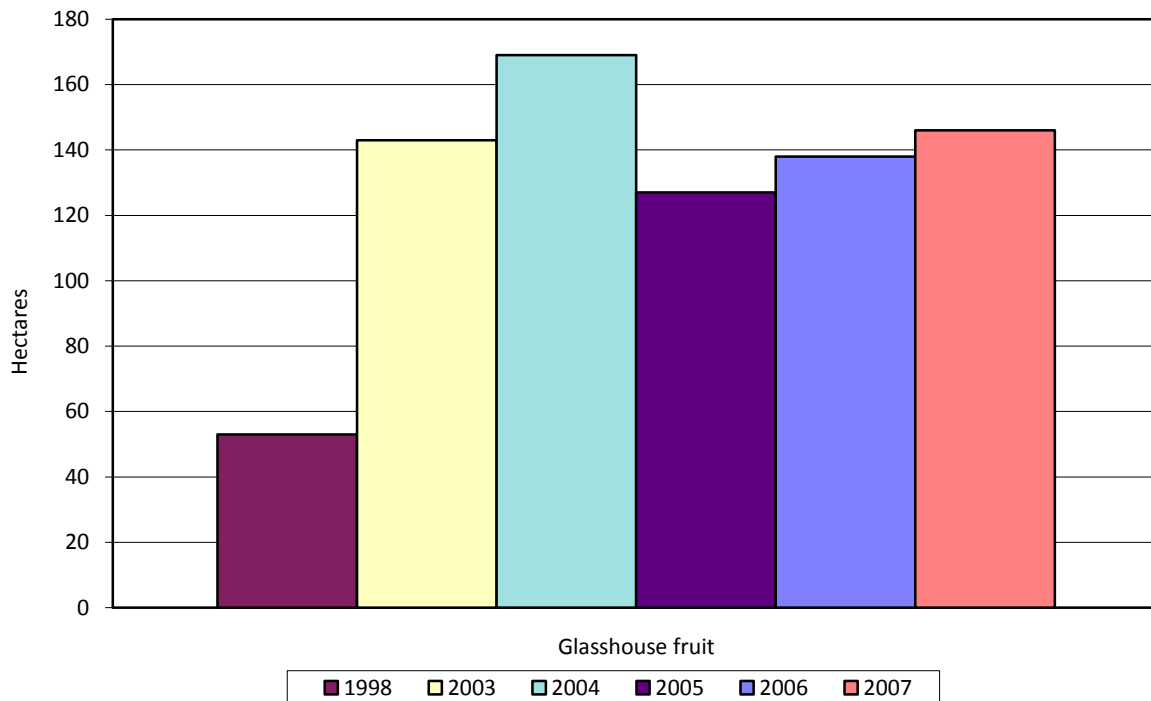


Figure 1.8 The area of glasshouse fruit⁷



⁶ Basic horticultural statistics 2005 & 2008, Defra; Survey of Agriculture and Horticulture June 2007

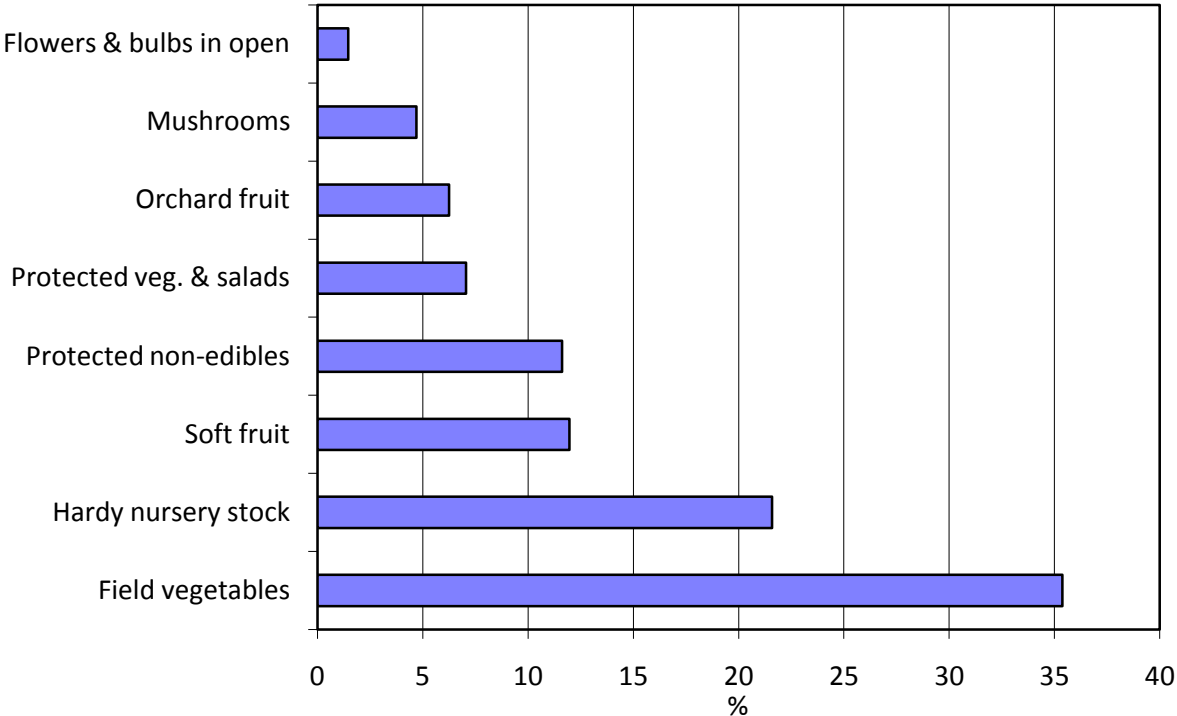
⁷ Basic horticultural statistics 2008, Defra

The area of field vegetables has fallen by 15% in the last ten years to 115,000 hectares in 2007. The area of orchard fruit has also fallen by around 18% over the same period to 18,000 hectares. The area of soft fruit grown in the open has shown a small, but steady increase to 9,400 hectares. The area of glasshouse fruit has increased from 53 hectares in 1998 to 146 hectares 2007 having peaked at 169 hectares in 2004. This group is purely glasshouse production and does not include field grown soft fruit that are grown in polytunnels. Although the glasshouse fruit sector has shown a large expansion, the area of protected vegetables reduced by 48% over the same time period, to 668 hectares in 2007. The area of both the protected ornamental sector and ornamentals grown in the open has stayed relatively constant over the same ten year period.

1.5 A breakdown of horticultural production in 2007

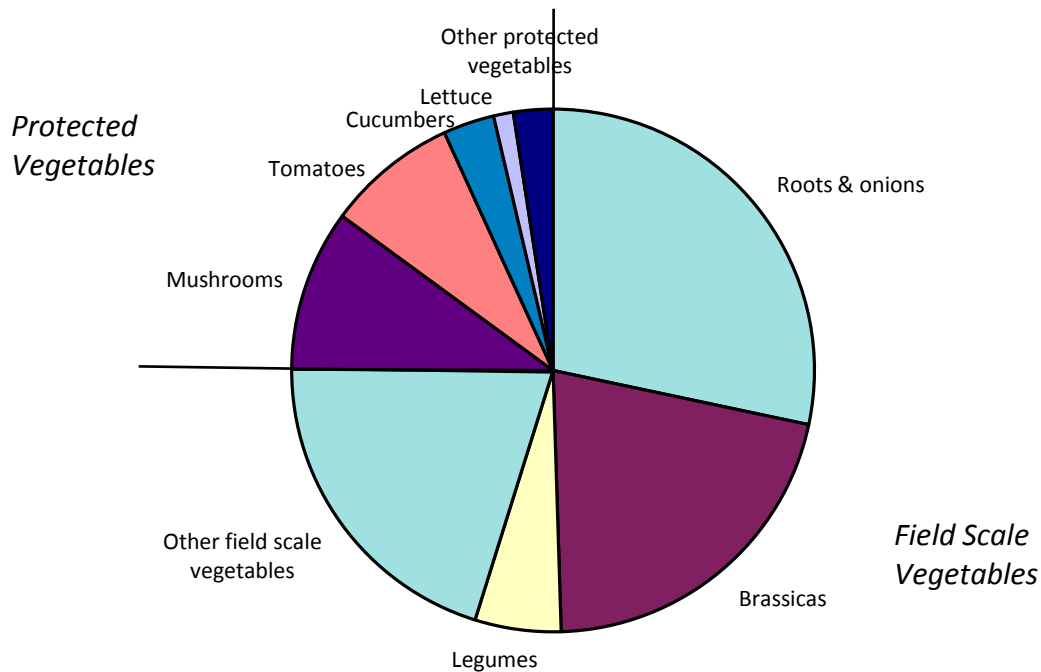
The total value of horticultural produce in 2007 amounted to £2,289 million. Figure 1.9 shows that 35% of this output is derived from field scale vegetables, although they account for 70% of the total area of horticultural production. Hardy nursery stock (22%) and soft fruit (12%) are the next largest in value terms closely followed by protected non-edibles indicating the importance of the non-ornamental sector. The composition of field and protected vegetables, and orchard and soft fruit production is shown in more detail in figures 1.10 and 1.11

Figure 1.9 Value of horticultural produce in 2007⁸



⁸ Agriculture in the UK 2007, Defra

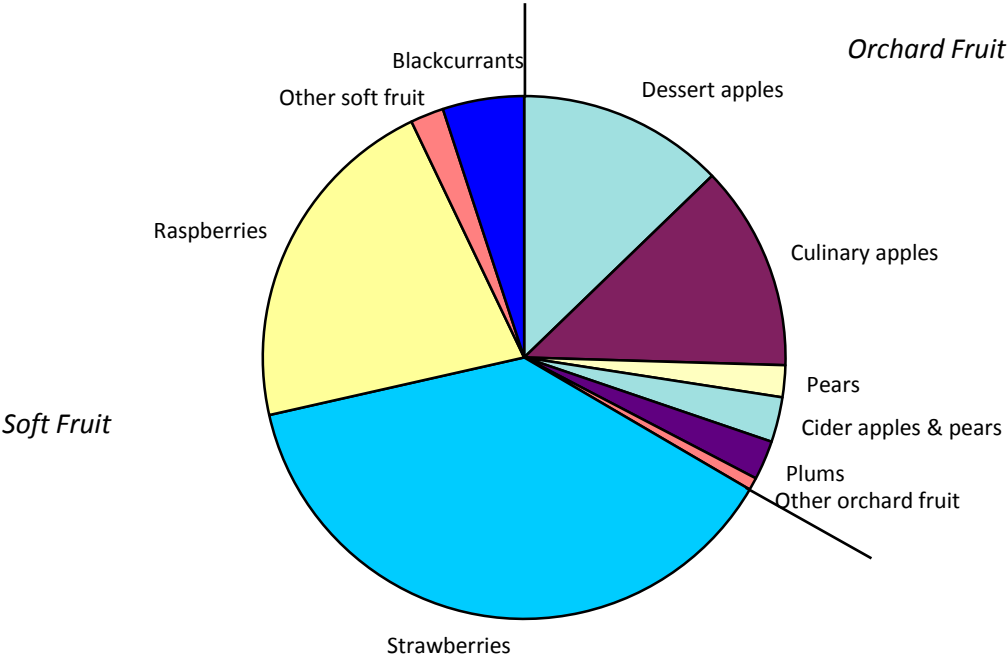
Figure 1.10 The composition of vegetable output in 2007⁹



The data used to produce Figures 1.10 and 1.11 has been compiled from the 2008 edition of Basic Horticultural Statistics in the UK (Defra) and relates to 2007. Field scale vegetables account for three quarters of total vegetable output and includes among them beetroot, carrots, parsnips, turnips, swedes, and onions (dry bulb and green). The brassicas account for 28% of field scale vegetables among which are included brussel sprouts, cabbages, cauliflower and calabrese. The legumes amount to 8% of output. Other field scale vegetables include asparagus, celery, leeks, lettuce, rhubarb, watercress, etc. The protected vegetable output includes mushroom production (40% of output), as well as crops grown in heated and cold glasshouses and polytunnels. Other protected vegetables include crops such as celery and sweet peppers.

⁹ Basic horticultural statistics 2008, Defra

Figure 1.11 Composition of fruit output in 2007¹⁰



Soft fruit now accounts for two thirds of the total fruit output by value, mainly due to a large increase in strawberry production, though all soft fruit outputs have increased, with the exception of blackcurrants, to £270 million, an increase of 14% on the previous year. Strawberry production now accounts for 57% (£154 million) of all soft fruit production. Glasshouse fruit production is not included in this chart, but it accounts for approximately 7.5% of total fruit output.

Orchard fruits accounts for 33% of the total outdoor fruit output. Dessert apples make up 38% of the output, with culinary apples accounting for a similar percentage.

¹⁰ Basic horticultural statistics 2008, Defra

1.6 Imports and exports of horticultural produce

Figure 1.12 Value of Vegetables (£m)¹¹

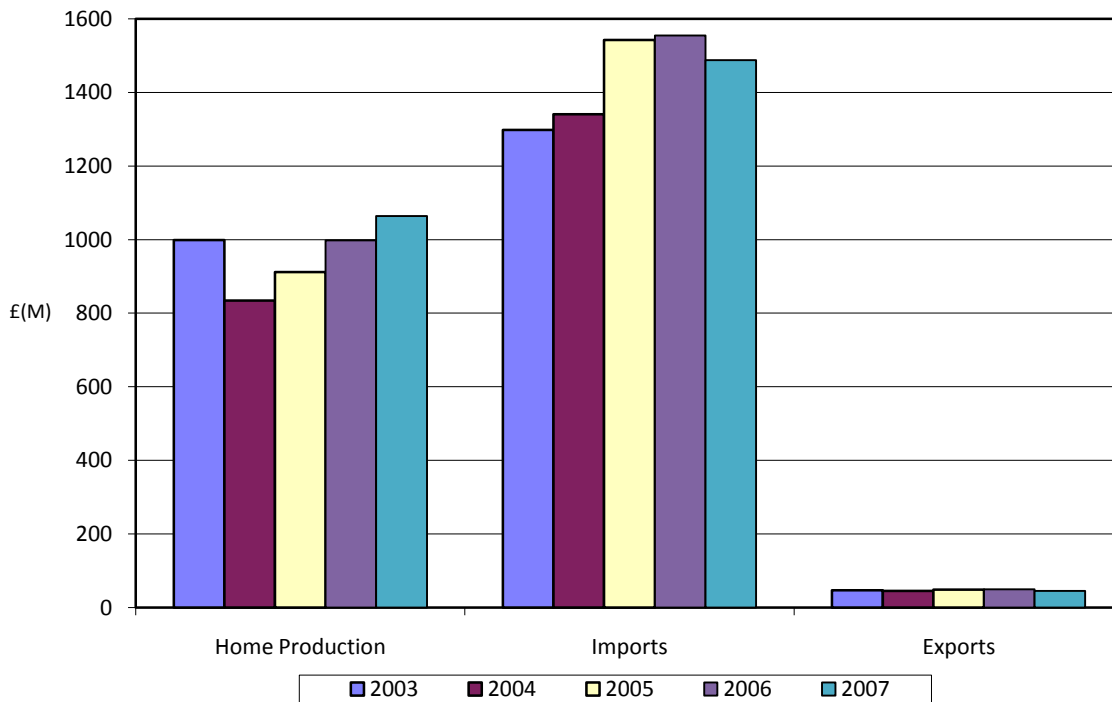
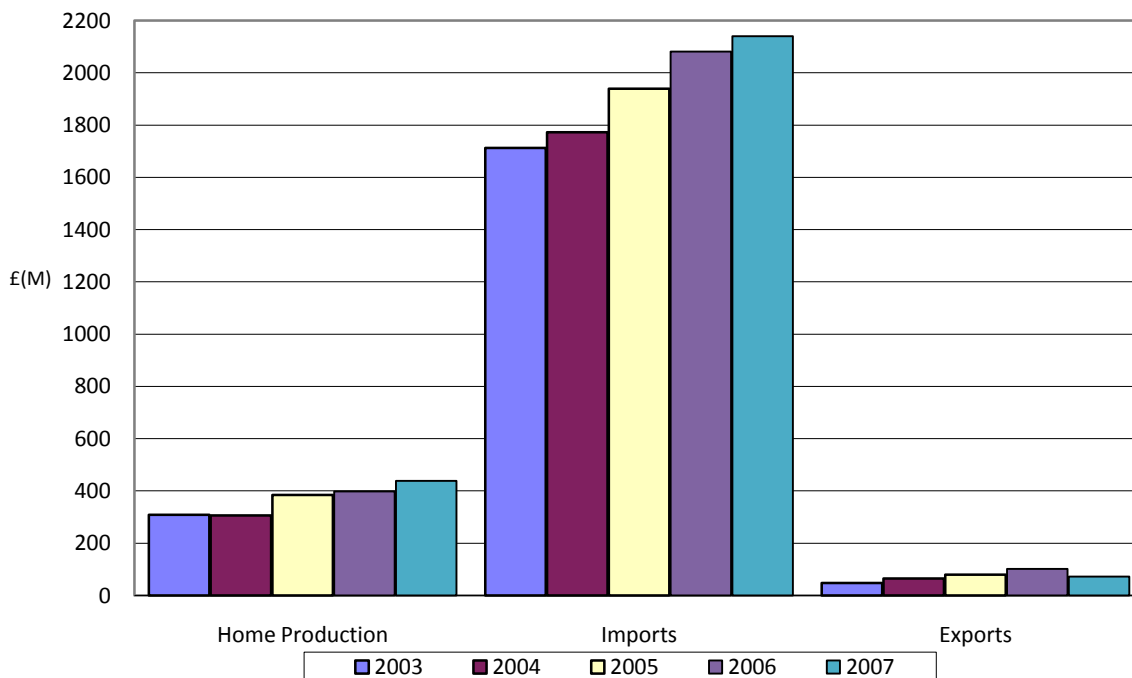


Figure 1.13 Value of fruit (£m)¹¹



¹¹ The data used to produce Figures 1.12 to 1.13 has also been compiled from the 2008 edition of *Basic Horticultural Statistics in the UK* (DEFRA) and relates to 2007.

The vegetable imports shown here relate to fresh produce only, which includes produce from the Channel Islands. Tomatoes being the largest product accounting for 24% of fresh vegetable imports.

The vegetable exports relate exclusively to fresh produce.

The fruit imports do include some dried fruit where fresh produce cannot be distinguished. Although the proportion of fruit imports appears very high, approximately two thirds of which cannot be grown in this country.

1.7 Price Indices in the UK

Table 1.1 Index of producer prices (Index: 2000=100)

	2000	2004	2005	2006	2007	2008
Dessert apples	100.0	120.7	116.4	122.5	140.4	152.2
Cherries	100.0	101.8	102.9	121.0	136.1	181.1
Fresh Fruit	100.0	112.4	120.1	114.6	126.7	142.2
Lettuce	100.0	130.2	140.7	151.7	150.2	168.2
Onions	100.0	138.8	113.1	150.8	196.7	149.6
Cabbage	100.0	109.3	122.6	133.1	161.7	160.0
Fresh vegetables	100.0	113.7	120.3	129.7	143.5	140.2
Flowers & plants	100.0	105.3	105.6	108.8	115.3	119.5

Source: Agricultural Price Indices, UK Defra

Table 1.2 Index of purchase prices (index 2000=100)

	2000	2004	2005	2006	2007	2008
Current Inputs						
Seeds	100.0	110.3	107.9	110.0	153.5	146.8
Fert & soil improvers	100.0	130.5	143.3	151.4	170.5	381.3
Plant protection	100.0	100.6	101.7	104.0	106.3	108.5
Fuel for heating	100.0	118.3	158.9	185.0	203.2	275.0
Hired labour	100.0	116.9	123.7	127.8	131.4	137.5
Capital inputs						
Machinery/equipment	100.0	96.1	103.8	108.2	114.2	121.5
Buildings	100.0	118.1	123.7	130.9	139.7	148.4
Finance inputs						
Bank rate	100.0	73.5	75.5	81.4	92.4	78.5

Source: Agricultural Price Indices, UK Defra

The index of producer prices shows a variable pattern over the last five years, with strong increases in prices in 2006 and 2007. This trend continued into 2008 for fruit whereas prices for fresh vegetables and non-edibles slowed down in 2008.

The index of purchase prices of the means of production show almost all current input costs are increasing. In particular, the price of fertiliser & soil improvers has increased by 124% from last year's price, whilst heating fuel has increased by 35%.

SECTION 2: FINANCIAL RESULTS FOR HORTICULTURE IN ENGLAND

2.1 Introduction to the data

The following series of tables are drawn from a sample of farmers and growers who participate in the Farm Business Survey in England and whose businesses are classified under one of the four main Defra horticultural type groups. These four type groups of Specialist Glass, Specialist Fruit, Specialist Hardy Nursery Stock and Other Horticulture are defined below. For the purposes of the Defra classification, Field Scale Vegetable producers are classified as General Cropping Farms, and so their results are not included in these tables, although smaller scale outdoor vegetable producers are recorded in the 'Other Horticulture' typology group.

2.2 Definition of horticultural type groups

Horticultural businesses are farms where horticultural crops or permanent crops including fruit, either alone or in combination, account for over two thirds of total standard gross margin.

Specialist glass

- Market garden vegetables and flowers under glass (either alone or in combination) accounting for more than two thirds of the total standard gross margin of the business, including walk-through polythene tunnels
- The specialist glass businesses have been further sub-divided into those businesses with mainly edible crops (more than 50% of crop output from edible crops) and those with mainly non-edible crops (more than 50% of crop output from non-edible crops)
- In addition to this, the specialist glass group has been sub-divided by the level of intensity of glasshouse production, showing both '50% or more' and '90% or more' of total crop output produced from protected crops
 - Table 2.3 Specialist Glass, edible and non edible crops
 - Table 2.4 Specialist Glass, mainly edible crops
 - Table 2.5 Specialist Glass, mainly non edible crops
 - Table 2.6 Specialist Glass (50% or more of crop output from glasshouse production), edible and non edible crops
 - Table 2.7 Specialist Glass (50% or more of crop output from glasshouse production), mainly edible crops
 - Table 2.8 Specialist Glass (50% or more of crop output from glasshouse production), mainly non edible crops
 - Table 2.9 Specialist Glass (90% or more of crop output from glasshouse production), edible and non edible crops
 - Table 2.10 Specialist Glass (90% or more of crop output from glasshouse production), mainly edible crops
 - Table 2.11 Specialist Glass (90% or more of crop output from glasshouse production), mainly non edible crops

Specialist fruit

- Fruit (other than strawberries, melons and citrus) accounting for more than two thirds of total standard gross margin of the business
- The specialist fruit group has one sub-group of mainly top fruit businesses
 - Table 2.12 Specialist Fruit Businesses
 - Table 2.13 Mainly top fruit businesses - 90% or more of crop output derived from top fruit

Specialist hardy nursery stock

- Hardy nursery stock (HNS) accounting for more than two thirds of total standard gross margin of the business
- The specialist HNS group has two sub-groups, showing HNS that is grown mainly under protection and HNS that is mainly grown outdoors

- Table 2.14 Specialist HNS Businesses
- Table 2.15 Mainly protected HNS crops - 50% or more of crop output derived from glasshouse production of HNS
- Table 2.16 Outdoor HNS crops - 80% or more of crop output derived from outdoor production of HNS

Other horticulture

- Businesses in which none of the above categories accounts for more than two thirds of standard gross margin
- The 'other horticulture' group has one sub-group of mainly outdoor vegetable growers
 - Table 2.17 Other Horticultural Businesses
 - Table 2.18 Mainly outdoor vegetables – 50% or more of crop output derived from outdoor vegetables

2.3 The Sample

The Farm Business Survey (FBS) covers businesses with a Standard Labour Requirement (SLR) of 0.5 and above. The SLR represents the average labour requirement in Full Time Equivalents for all the enterprises in the business under typical conditions for enterprises of average size and performance. It is calculated from standard coefficients applied to each enterprise in the business and represents the input of labour required per hectare of crops and per head of livestock.

According to the 2007 June survey there are 8,940 horticultural businesses in England. However, approximately half of these businesses are regarded as too small for inclusion in the FBS, as they fall below the minimum threshold of 0.5 SLR.

Table 2.1 shows how the 2007 sample of horticultural businesses within the FBS compares with the national population of eligible horticultural businesses.

Table 2.1 FBS sample compared with June Survey data for 2007

	England population 2007 survey (business)	FBS sample 2007 (businesses)	FBS sample as a % of population
Specialist Glass	1,028	94	9.1%
Specialist Fruit	833	41	4.9%
Specialist HNS	1,693	45	2.7%
Other Horticulture	1,078	33	3.1%
All Horticulture	4,632	213	4.6%

The size of the total sample for the 2006 cropping year was 207 businesses and for the 2007 cropping year it was 213 businesses.

The sample is drawn from a stratified population of seven Government Office Regions by four main typology types of Specialist Glass, Specialist Fruit, Specialist Hardy Nursery Stock and Other Horticulture. Within each stratum a single weight is calculated as the ratio of numbers of businesses in the population and in the sample. This weight when applied to each business, represents the number of times that business' data must be replicated in order to 'represent' businesses not selected for the sample, so as to reflect the entire population. This weight is applied to all variables. The weighted results are then divided into the four main Defra type classifications.

The data in this report have been compiled from the 2006/07 and 2007/08 Farm Business Survey. Results for this survey can be accessed at: <http://farmbusinesssurvey.co.uk> and at: <http://statistics.defra.gov.uk/esg/publications/fab/default.asp>

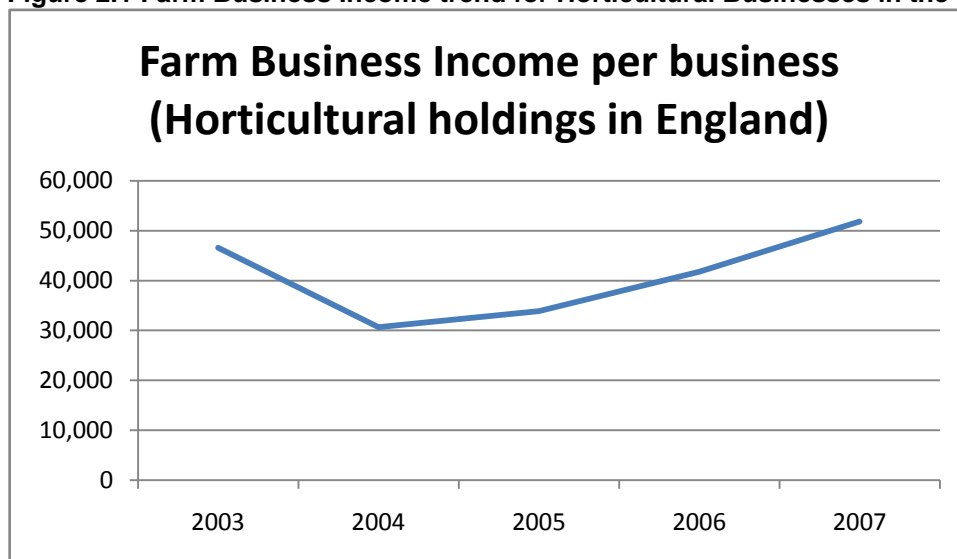
2.4 Financial results for 2006/07 and 2007/08

The results in this section are shown for businesses classified according to the Defra classification system, as described on page 19, which is based on standard gross margins.

The results are shown on a 'per business', 'per hectare' and 'per £100 of gross output' basis. Average results are shown for the 2006 and 2007 harvest year and premium results are shown for the 2007 harvest year where the sample size is large enough to permit the publication of results. The premium results are the top third of businesses as measured by farm business income per hectare. The 'per hectare' results are based on the utilisable area of the holding. However, for specialist glasshouse businesses and protected hardy nursery stock producers, the area of glass (including polytunnels) is used to produce 'per hectare' results.

The horticultural sector represents a very diverse group of growers, with some operating highly intensive glasshouse operations and others producing more extensive top fruit and vegetable production. Over the whole sample, average Farm Business Income of Horticultural businesses in 2007 increased by 24% from 2006 in current price terms, to £51,821 (Table 2.2). These businesses have been largely unaffected by the introduction of the single payment scheme (SPS) as their main enterprises were not subject to the CAP support regime and are therefore ineligible for any payments based on historic claims. The amount of SPS received was just £2,046 per business, compared with an average gross output of £381,604 per business based on the whole sample. The average gross output per business increased by 9% across the horticultural sector; total variable costs increased by 11%, and fixed costs were up by 4% on the previous year.

Figure 2.1 Farm Business Income trend for Horticultural Businesses in the FBS in England



Source: www.farmbusinesssurvey.co.uk

Figure 2.1 shows the trend in Farm Business Income for the last five years. Although the graph shows that Farm Business Income increased between the 2006 and 2007 cropping years this was not the case for all sectors of horticulture. While Farm Business Income for the horticultural type groups of specialist glass, specialist fruit, and specialist hardy nursery stock improved, the 'other horticulture' type group had a less profitable year.

Specialist Glass

The Specialist Glass group includes heated and cold glass and polytunnels. The group includes several large scale soft fruit producers who use polytunnels for production. Table 2.3 shows that the average Farm Business Income increased in 2007/08 by 29% from 2006/07 to £40,472 per business. Total gross margin increased by 15% to £212,885, while fixed costs also increased by 10% to £195,346. However, within this main group there has been a difference in the financial performance of the edible and ornamental sectors with the edible sector having the larger share of the increase.

Table 2.4 shows that those glasshouse businesses with mainly edible crops (50% or more of their total crop output derived from edible crops) saw Farm Business Income per business rise by 45% to £46,141 for the 2007 cropping year. In this group total gross margin increased by 13%, and fixed costs increased by 6%. The average price of some protected vegetables increased in the 2007 cropping year, while the yields remained constant or declined. Consequently, heated tomatoes had a slightly better output per hectare, whereas cucumbers declined. The average glasshouse area (including polytunnels) increased by 5% in 2007/08, to 2.03 ha of glass and polytunnels per business. The proportion of output attributable to glasshouse tomatoes fell in 2007/08 to just a third of output, while the output from protected soft fruit continues to increase and amounted to 28% of crop output.

Table 2.5 refers to glasshouse businesses with mainly non edible crops (50% or more of their total output derived from non-edible crops), where Farm Business Income increased more slowly at 16%, to £36,096 per business for the 2007 harvest year. Although this group saw an increase in total gross margin of 17%, fixed costs also increased by 15%. When the results are shown on a per hectare basis and the costs are shown per £100 of gross output, there is very little difference between the two years. It was also a very variable year for growers with some making significant increases in Farm Business Income, while others had a very disappointing financial year. Although a good spring benefitted bedding plants, the following very wet summer with floods in some areas had a very detrimental effect on those growers affected by the severe weather conditions.

Within the specialist glasshouse group there are a number of businesses with some crops grown outdoors. This group has therefore been sub-divided according to the intensity of glasshouse production and shows businesses with 50% or more of crop output derived from glasshouse production (Tables 2.6 to 2.8), and businesses with 90% or more of crop output derived from glasshouse production (Tables 2.9 to 2.11).

Table 2.10 shows that the edible sector of this intensive glasshouse group (90% or more of crop output from glasshouse production) saw Farm Business Income increase from £44,219 in 2006/07 to £48,187 per business in 2007/08. Comparing the results on a 'per hectare of glass' basis, Table 2.10 shows that Farm Business Income increased by 13%, to £45,006 per hectare of protected crops for 2007/08. The overhead costs remained fairly static between the two years, whereas the variable costs have declined marginally. In particular the cost of glasshouse heating fuel fell between the two years, which was very surprising considering the large increase in the price of fuel, but may mean that some growers are restricting fuel usage to combat the big price increases.

Table 2.11 shows the profit of those business growing mainly ornamental crops (90% or more of crop output from glasshouse production). Farm Business Income for these businesses increased by 31% to £32,612 per business, however the area utilised for production also increased by 10%. Consequently, Farm Business Income increase by just 5% when the results are shown on a per hectare basis, compared with 13% for the edible sector. This ornamental group also experienced lower heating costs with less fuel being used.

Specialist Fruit

Table 1.12 shows the average Farm Business Income per business increased from £17,911 in 2006/07 to £39,572 in 2007/08. There were increases in 2007/08 to total output [+30%] to £223,358 per business, variable costs (+14%) to £68,513 per business and fixed costs [+15%] to £131,296 per business. This specialist fruit group is comprised of 70% of crop output from top fruit and 30% from soft fruit production. Additionally, 15% of these businesses have more than half of their total output derived from miscellaneous activities, for example adding value to primary production by producing apple juice.

Table 2.13 shows a group of businesses that specialise in top fruit production with 90% or more of their total crop output derived from this type of fruit. In 2006/07 78% of the crop output was apple production, whereas in 2007/08 this fell to 66%. The average Farm Business Income in this group doubled in 2007/08 to £29,832, although this was quite variable across the country. One point to note is that this is not an identical sample. Although the data is weighted to reflect changes in the sample, there were several new farms introduced to the sample in 2007/08 with their Farm Business Income near the top of the range. It was observed when an identical sample was used the increase in Farm Business Income was more modest at 23%, increasing from £20,120 in 2006/07 to £ 24,829 in 2007/08.

Specialist Hardy Nursery Stock

The Hardy Nursery Stock (HNS) sector [Table 2.14] showed an increase in Farm Business Income of 45%, increasing from £47,361 in 2006/07 to £68,589 in 2007/08. Total output increased by 19% between the two years, and variable costs and fixed costs reduced by 26% and 5% respectively. This group of businesses includes growers of HNS under protection, those growing HNS outdoors, and a combination of these two production systems. It was another difficult year for some nursery stock producers with strong competition from abroad; growers of field grown plants and specimen trees experienced a better year.

Table 2.15 refers to a group of businesses which primarily grow HNS under glass (50% or more of crop output produced under glass or walk-through polythene tunnels). Table 2.16 refers to a group of businesses with 80% or more of HNS output produced outdoors, which includes rootstock and larger trees, as well as shrubs and smaller nursery stock.

Farm Business Income for the protected nursery stock production increased by 25% to £92,685 in 2007/08, which was due to a 15% saving in overhead costs. Total output for this group actually declined by 8%, as did the gross margin [Table 2.15]. For growers of predominantly outdoor HNS [Table 2.16], Farm Business Income increased from £40,578 in 2006/07 to £63,122 in 2007/08, with total output increasing by a third on the previous year.

Other Horticulture

Table 2.17 shows the results of the 'Other Horticulture' group. In 2007/08 output was derived from 13% glasshouse crops, 72% outdoor vegetable crops, 4% flowers and HNS with the remainder from the production of fruit and other farm crops. Farm Business Income declined to £45,829 [-23%] per business, mainly due to a fall in output.

Table 2.18 shows the financial results for a group of outdoor vegetable growers (50% or more crop output produced from outdoor vegetables). The productive area of this group was fairly static at 84 ha and 83 ha respectively. Total output fell by 5%, with Farm Business Income reducing by 4% to an average £75,219 in 2007/08. Although there was a mild start to the year, the prolonged wet summer affected subsequent plantings and harvesting of field grown crops. However, although the weather affected the availability of some of the crops, one of the positive consequences was that some winter vegetables achieved higher prices.

2.5 Balance Sheet Information

Table 2.19 shows the Assets, Liabilities and Net Worth for the same group of farms included in the preceding commentary on financial results. For Horticultural Businesses as a whole, the percentage equity in the business increased slightly [+2.5%] during the year, to 78.5%. The value of Fixed Assets increased by 8% to £498,058, total External Liabilities decreased [-4%], to £140,294.

The percentage equity for Specialist Glasshouse and Specialist Fruit businesses remained virtually unchanged between the beginning and end of the year at 78.6% and 86.7% respectively. Specialist Hardy Nursery Stock businesses experienced a 2.4% increase in equity, while 'Other' Horticulture had the highest increase in equity of the four groups at 5.1%. This latter group has a 12% increase in fixed assets [£678,182] and a 10.5% reduction in external liabilities [£187,157]. Specialist Fruit businesses have the highest percentage equity of the four horticultural businesses at 86.7% at the end of 2007.

Table 2.20 compares the Net Worth and percentage equity for the other Robust Farm Type classification used in England. The average Net Worth for all businesses is approximately £750,000 per business representing 87.5% equity in the business. Those farms that are predominantly land based have the highest Net Worth, while those businesses with intensive livestock systems and less land have a lower Net Worth and smaller percentage equity. Consequently, lowland cattle & sheep farms and cereal farms have the highest percentage equity at 91%, while pig and poultry farms have the lowest percentage equity at 60%, with horticulture midway at 77.3%.

Table 2.2 All horticultural businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	207	213	207	213	207	213
Productive area of business (ha)	24.84	26.26	24.84	26.26		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	350,700	381,604	14,116	14,534	100	100
Variable costs						
Seed & young plants	54,724	69,626	2,203	2,652	15.6	18.2
Fertilisers & composts	8,701	9,604	350	366	2.5	2.5
Crop protection	6,251	7,052	252	269	1.8	1.8
Market charges	15,504	19,439	624	740	4.4	5.1
Packing materials	14,582	17,816	587	679	4.2	4.7
Horticultural sundries	21,956	13,517	884	515	6.3	3.5
Glasshouse fuel	7,215	6,058	290	231	2.1	1.6
Other variable costs	514	702	21	27	0.1	0.2
Total variable costs	129,447	143,814	5,210	5,477	36.9	37.7
Total gross margin	221,253	237,790	8,906	9,057	63.1	62.3
Fixed costs						
Labour:						
Regular paid	72,544	77,257	2,920	2,943	20.7	20.2
Regular unpaid	19,725	21,014	794	800	5.6	5.5
Casual labour	24,259	27,857	976	1,061	6.9	7.3
Power & machinery costs:						
Contract & hire	6,147	5,724	247	218	1.8	1.5
Fuel & electricity	8,737	9,373	352	357	2.5	2.5
Repairs	9,583	9,778	386	372	2.7	2.6
Machinery depreciation	10,745	11,813	432	450	3.1	3.1
Glasshouse depreciation	3,532	3,519	142	134	1.0	0.9
Rent (incl. imputed)	15,977	13,750	643	524	4.6	3.6
Other costs:						
Occupier's repairs	4,699	5,542	189	211	1.3	1.5
Permanent crop depreciation	1,418	624	57	24	0.4	0.2
Water	1,872	1,968	75	75	0.5	0.5
Sundries	17,933	16,679	722	635	5.1	4.4
Total fixed costs	197,169	204,897	7,936	7,804	56.2	53.7
Management & investment income	24,084	32,893	969	1,253	6.9	8.6
Minus: management salaries	468	1,307	19	50	0.1	0.3
Plus: farmer & spouse labour	17,210	17,823	693	679	4.9	4.7
Net farm income	40,825	49,409	1,643	1,882	11.6	12.9
Farm business income	41,734	51,821	1,680	1,974	11.9	13.6

Crop output per cent of total crop output (%)

	Average 2006	Average 2007
Glasshouse crops		
Flowers & nursery stock	25.7	26.8
Tomatoes	4.9	3.5
Lettuce	0.5	0.5
Soft fruit	2.7	2.9
Other glasshouse crops	3.8	3.6
Outdoor crops		
Flowers and nursery stock	26.5	28.6
Vegetables	23.9	20.8
Other outdoor crops	2.2	2.2
Top fruit		
Dessert apples and pears	4.0	4.6
Culinary apples	1.0	0.9
Plums	0.4	0.5
Other top	0.9	1.5
Soft fruit		
Strawberries	1.2	1.3
Raspberries	0.9	1.3
Blackcurrants	0.2	0.2
Other soft fruit	1.0	0.9
Total	100.0	100.0

Farm business income (FBI)

(distribution by number of businesses)

	Average 2006	Average 2007
Over £100,000	39	43
£50,000 to <£100,000	31	35
£25,000 to <£50,000	38	37
£12,500 to <£25,000	29	32
0 to <£12,000	31	38
-£12,000 to 0	19	10
-£25,000 to <-£12,500	5	5
-£50,000 to <-£25,000	6	6
Below -£50,000	9	7
Total	207	213

Distribution of tenant's type capital (%)

	Average 2006	Average 2007
Crops and tillages	20	20
Stores	5	6
Glasshouses	8	8
Equipment	28	27
Livestock	1	2
Other	37	36
Total	100	100
Tenant's capital (£)	240,294	265,189

Table 2.3 All specialist glass businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	89	94	89	94	89	94
Productive area of glass (ha)	1.1581	1.2682	1.1581	1.2682		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	312,214	351,593	269,591	277,248	100	100
Variable costs						
Seed & young plants	45,530	51,086	39,314	40,284	14.6	14.5
Fertilisers & composts	8,469	9,982	7,313	7,871	2.7	2.8
Crop protection	2,726	3,104	2,354	2,447	0.9	0.9
Market charges	17,370	23,045	14,998	18,172	5.6	6.6
Packing materials	15,390	18,010	13,289	14,201	4.9	5.1
Horticultural sundries	12,681	11,752	10,950	9,267	4.1	3.3
Glasshouse fuel	24,923	21,529	21,521	16,977	8.0	6.1
Other variable costs	142	200	122	158	0.0	0.1
Total variable costs	127,231	138,708	109,862	109,378	40.8	39.5
Total gross margin	184,983	212,885	159,729	167,870	59.2	60.5
Fixed costs						
Labour:						
Regular paid	73,159	83,692	63,171	65,995	23.4	23.8
Regular unpaid	24,903	25,447	21,504	20,066	8.0	7.2
Casual labour	15,453	16,704	13,343	13,172	4.9	4.8
Power & machinery costs:						
Contract & hire	4,240	4,073	3,662	3,211	1.4	1.2
Fuel & electricity	7,987	8,779	6,897	6,923	2.6	2.5
Repairs	5,204	7,511	4,493	5,922	1.7	2.1
Machinery depreciation	7,228	8,812	6,241	6,949	2.3	2.5
Glasshouse depreciation	7,513	7,663	6,487	6,043	2.4	2.2
Rent (incl. imputed)	9,318	7,194	8,046	5,673	3.0	2.0
Other costs:						
Occupier's repairs	5,240	5,845	4,525	4,609	1.7	1.7
Permanent crop depreciation	49	-69	42	-54	0.0	0.0
Water	1,728	1,923	1,492	1,516	0.6	0.5
Sundries	14,951	17,771	12,910	14,013	4.8	5.1
Total fixed costs	176,973	195,346	152,813	154,039	56.7	55.6
Management & investment income	8,010	17,539	6,917	13,830	2.6	5.0
Minus: management salaries	849	872	733	687	0.3	0.2
Plus: farmer & spouse labour	22,229	22,374	19,194	17,643	7.1	6.4
Net farm income	29,390	39,042	25,378	30,786	9.4	11.1
Farm business income	31,463	40,472	27,168	31,914	10.1	11.5

Premium businesses	Per	Per £100	<u>Crop output per cent of total crop output (%)</u>		
	hectare	of gross	Average	Average	Premium
	2007	output	2006	2007	2007
		2007			
Number of businesses	31	31			
Productive area of glass (ha)	0.7545				
	£ per hectare	average %			
Gross output	618,058	100.0			
Variable costs					
Seed & young plants	108,003	17.5	Glasshouse crops		
Fertilisers & composts	15,900	2.6	Flowers & nursery stock	40.7	43.1
Crop protection	2,750	0.4	Tomatoes	21.8	16.4
			Lettuce	2.3	2.5
Market charges	28,532	4.6	Soft fruit	11.8	13.7
Packing materials	24,584	4.0	Other glasshouse crops	12.9	13.2
Horticultural sundries	12,040	1.9	Outdoor crops		
Glasshouse fuel	31,695	5.1	Flowers & nursery stock	5.2	5.4
Other variable costs	591	0.1	Vegetables	1.7	1.4
			Fruit	3.3	4.1
			Other outdoor crops	0.1	0.1
Total variable costs	224,094	36.3	Total	100.0	100.0
					100.0
Total gross margin	393,964	63.7	<u>Distribution of tenant's type capital (%)</u>		
				Average	Average
				2006	2007
					Premium
					2007
Fixed costs					
Labour:			Crops & tillages	6	6
Regular paid	155,202	25.1	Stores	7	7
Regular unpaid	35,933	5.8	Glasshouses	21	24
Casual labour	19,302	3.1	Equipment	29	26
			Livestock	0	0
Power & machinery costs:			Other	37	37
Contract & hire	11,126	1.8	Total	100	100
Fuel & electricity	13,075	2.1			100
Repairs	7,119	1.2	Tenant's capital (£)	209,450	231,864
Machinery depreciation	12,354	2.0			314,588
Glasshouse depreciation	14,351	2.3			
Rent (incl. imputed)	8,517	1.4			
Other costs:			<u>Farm business income (FBI)</u>		
Occupier's repairs	7,260	1.2	(distribution by number of businesses)		
Permanent crop depreciation	46	0.0		Average	Average
Water	2,032	0.3		2006	2007
Sundries	32,020	5.2			
Total fixed costs	318,337	51.5	Over £100,000	16	18
Management & investment income	75,627	12.2	£50,000 to <£100,000	15	14
Minus: management salaries	1,758	0.3	£25,000 to <£50,000	18	13
Plus: farmer & spouse labour	31,358	5.1	£12,500 to <£25,000	17	20
			0 to <£12,000	8	20
			-£12,000 to 0	8	2
			-£25,000 to <-£12,500	1	3
			-£50,000 to <-£25,000	1	3
Net farm income	105,228	17.0	Below -£50,000	5	1
Farm business income	109,367	17.7	Total	89	94

Table 2.4 Specialist glass businesses, mainly edible crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	31	34	31	34	31	34
Productive area of glass (ha)	1.9372	2.0313	1.9372	2.0313		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	351,490	394,577	181,438	194,250	100	100
Variable costs						
Seed & young plants	18,918	26,053	9,766	12,826	5.4	6.6
Fertilisers & composts	9,037	9,580	4,665	4,716	2.6	2.4
Crop protection	4,099	4,674	2,116	2,301	1.2	1.2
Market charges	31,869	41,888	16,451	20,621	9.1	10.6
Packing materials	21,569	22,785	11,134	11,217	6.1	5.8
Horticultural sundries	14,551	17,532	7,511	8,631	4.1	4.4
Glasshouse fuel	43,524	38,153	22,467	18,783	12.4	9.7
Other variable costs	22	110	11	54	0.0	0.0
Total variable costs	143,590	160,773	74,121	79,149	40.9	40.7
Total gross margin	207,900	233,803	107,318	115,101	59.1	59.3
Fixed costs						
Labour:						
Regular paid	80,362	85,870	41,483	42,274	22.9	21.8
Regular unpaid	25,461	25,100	13,143	12,357	7.2	6.4
Casual labour	24,800	26,677	12,802	13,133	7.1	6.8
Power & machinery costs:						
Contract & hire	2,701	2,634	1,394	1,297	0.8	0.7
Fuel & electricity	9,057	9,491	4,675	4,672	2.6	2.4
Repairs	5,612	10,470	2,897	5,154	1.6	2.7
Machinery depreciation	7,436	8,661	3,839	4,264	2.1	2.2
Glasshouse depreciation	8,433	7,303	4,353	3,595	2.4	1.9
Rent (incl. imputed)	11,527	9,973	5,950	4,910	3.3	2.5
Other costs:						
Occupier's repairs	8,023	8,522	4,141	4,195	2.3	2.2
Permanent crop depreciation	109	-162	56	-80	0.0	0.0
Water	2,220	2,208	1,146	1,087	0.6	0.6
Sundries	14,287	14,755	7,375	7,264	4.1	3.7
Total fixed costs	200,028	211,500	103,254	104,122	56.9	53.6
Management & investment income	7,872	22,303	4,063	10,980	2.2	5.7
Minus: management salaries	416	495	215	244	0.1	0.1
Plus: farmer & spouse labour	22,651	22,080	11,693	10,870	6.4	5.6
Net farm income	30,107	43,888	15,541	21,606	8.6	11.1
Farm business income	31,842	46,141	16,437	22,715	9.1	11.7

Crop output per cent of total crop output (%)

	Average 2006	Average 2007
Glasshouse crops		
Flowers & nursery stock	0.0	0.3
Tomatoes	44.2	33.2
Lettuce	4.8	5.0
Soft fruit	24.1	27.8
Other glasshouse crops	16.7	22.5
Outdoor crops		
Flowers & nursery stock	0.0	0.0
Vegetables	3.5	2.9
Fruit	6.7	8.4
Other outdoor crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2006	Average 2007
Crops & tillages	2	2
Stores	6	5
Glasshouses	26	27
Equipment	27	25
Livestock	0	0
Other	39	42
Total	100	100

Tenant's capital (£) **221,839** **221,474**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2006	Average 2007
Over £100,000	7	9
£50,000 to <£100,000	6	7
£25,000 to <£50,000	5	4
£12,500 to <£25,000	3	8
0 to <£12,000	4	5
-£12,000 to 0	3	0
-£25,000 to <-£12,500	0	1
-£50,000 to <-£25,000	1	0
Below -£50,000	2	0
Total	31	34

** no premium figures, sample too small*

Table 2.5 Specialist glass businesses, mainly non-edible crops

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	58	60	58	60	58	60
Productive area of glass (ha)	0.5662	0.6792	0.5662	0.6792		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	282,377	318,420	498,728	468,817	100	100
Variable costs						
Seed & young plants	65,746	70,406	116,120	103,660	23.3	22.1
Fertilisers & composts	8,038	10,293	14,197	15,155	2.8	3.2
Crop protection	1,683	1,892	2,972	2,785	0.6	0.6
Market charges	6,354	8,503	11,223	12,519	2.3	2.7
Packing materials	10,696	14,324	18,891	21,090	3.8	4.5
Horticultural sundries	11,260	7,292	19,888	10,736	4.0	2.3
Glasshouse fuel	10,793	8,700	19,062	12,809	3.8	2.7
Other variable costs	233	270	411	398	0.1	0.1
Total variable costs	114,803	121,680	202,764	179,151	40.7	38.2
Total gross margin	167,573	196,741	295,965	289,666	59.3	61.8
Fixed costs						
Labour:						
Regular paid	67,686	82,012	119,546	120,748	24.0	25.8
Regular unpaid	24,480	25,714	43,236	37,860	8.7	8.1
Casual labour	8,352	9,006	14,751	13,260	3.0	2.8
Power & machinery costs:						
Contract & hire	5,410	5,183	9,555	7,631	1.9	1.6
Fuel & electricity	7,175	8,230	12,672	12,117	2.5	2.6
Repairs	4,894	5,226	8,643	7,695	1.7	1.6
Machinery depreciation	7,069	8,928	12,486	13,145	2.5	2.8
Glasshouse depreciation	6,814	7,942	12,035	11,693	2.4	2.5
Rent (incl. imputed)	7,639	5,050	13,492	7,435	2.7	1.6
Other costs:						
Occupier's repairs	3,126	3,779	5,520	5,565	1.1	1.2
Permanent crop depreciation	3	4	6	6	0.0	0.0
Water	1,355	1,703	2,393	2,507	0.5	0.5
Sundries	15,455	20,099	27,296	29,593	5.5	6.3
Total fixed costs	159,458	182,878	281,632	269,255	56.5	57.4
Management & investment income	8,115	13,863	14,333	20,410	2.9	4.4
Minus: management salaries	1,177	1,162	2,079	1,711	0.4	0.4
Plus: farmer & spouse labour	21,908	22,601	38,693	33,276	7.8	7.1
Net farm income	28,846	35,301	50,947	51,975	10.2	11.1
Farm business income	31,175	36,096	55,060	53,145	11.0	11.3

Premium businesses	Per	Per £100	<u>Crop output per cent of total crop output (%)</u>		
	hectare	of gross	Average	Average	Premium
	2007	output	2006	2007	2007
		2007			
Number of businesses	20	20			
Productive area of glass (ha)	0.5632				
	£ per hectare	average %			
Gross output	841,913	100.0			
Variable costs					
Seed & young plants	154,138	18.3	Glasshouse crops		
Fertilisers & composts	23,809	2.8	Flowers & nursery stock	79.9	84.5
Crop protection	3,865	0.5	Tomatoes	0.3	0.2
			Lettuce	0.0	0.0
Market charges	25,200	3.0	Soft fruit	0.0	0.0
Packing materials	34,951	4.2	Other glasshouse crops	9.3	4.3
Horticultural sundries	10,077	1.2	Outdoor crops		
Glasshouse fuel	16,155	1.9	Flowers & nursery stock	10.3	10.6
Other variable costs	1,325	0.2	Vegetables	0.0	0.0
			Fruit	0.1	0.1
			Other outdoor crops	0.2	0.3
Total variable costs	269,520	32.0	Total	100.0	100.0
Total gross margin	572,392	68.0			
Fixed costs			<u>Distribution of tenant's type capital (%)</u>		
Labour:			Average	Average	Premium
Regular paid	242,384	28.8	2006	2007	2007
Regular unpaid	49,449	5.9			
Casual labour	19,444	2.3	Crops & tillages	9	9
			Stores	7	9
Power & machinery costs:			Glasshouses	18	21
Contract & hire	22,861	2.7	Equipment	31	27
Fuel & electricity	20,411	2.4	Livestock	0	0
Repairs	9,792	1.2	Other	35	33
Machinery depreciation	18,262	2.2	Total	100	100
Glasshouse depreciation	20,167	2.4	Tenant's capital (£)	200,038	239,882
Rent (incl. imputed)	10,571	1.3			349,458
Other costs:			<u>Farm business income (FBI)</u>		
Occupier's repairs	9,476	1.1	(distribution by number of businesses)		
Permanent crop depreciation	1	0.0	Average	Average	
Water	3,267	0.4	2006	2007	
Sundries	56,353	6.7			
Total fixed costs	482,438	57.3	Over £100,000	9	9
Management & investment income	89,955	10.7	£50,000 to <£100,000	9	7
Minus: management salaries	3,773	0.4	£25,000 to <£50,000	13	9
Plus: farmer & spouse labour	42,078	5.0	£12,500 to <£25,000	14	12
			0 to <£12,000	4	15
Net farm income	128,260	15.2	-£12,000 to 0	5	2
			-£25,000 to <-£12,500	1	2
Farm business income	133,677	15.9	-£50,000 to <-£25,000	0	3
			Below -£50,000	3	1
			Total	58	60

Table 2.6 Specialist glass businesses (50% or more of crop output from glasshouse production)

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	80	79	80	79	80	79
Productive area of glass (ha)	0.9558	0.9154	0.9558	0.9154		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	342,279	360,313	358,090	393,608	100	100
Variable costs						
Seed & young plants	54,392	57,012	56,904	62,281	15.9	15.8
Fertilisers & composts	10,057	10,769	10,522	11,764	2.9	3.0
Crop protection	2,398	2,472	2,508	2,701	0.7	0.7
Market charges	16,152	18,045	16,898	19,713	4.7	5.0
Packing materials	14,601	15,823	15,276	17,285	4.3	4.4
Horticultural sundries	13,911	10,552	14,553	11,527	4.1	2.9
Glasshouse fuel	31,121	26,654	32,558	29,117	9.1	7.4
Other variable costs	12	16	13	17	0.0	0.0
Total variable costs	142,643	141,343	149,233	154,404	41.7	39.2
Total gross margin	199,636	218,970	208,858	239,204	58.3	60.8
Fixed costs						
Labour:						
Regular paid	83,220	89,707	87,064	97,996	24.3	24.9
Regular unpaid	26,218	26,378	27,429	28,816	7.7	7.3
Casual labour	10,125	10,984	10,592	11,999	3.0	3.0
Power & machinery costs:						
Contract & hire	4,844	3,866	5,067	4,223	1.4	1.1
Fuel & electricity	8,659	9,309	9,059	10,169	2.5	2.6
Repairs	5,548	7,792	5,805	8,513	1.6	2.2
Machinery depreciation	7,797	9,321	8,157	10,182	2.3	2.6
Glasshouse depreciation	8,710	8,758	9,112	9,568	2.5	2.4
Rent (incl. imputed)	9,480	6,495	9,918	7,096	2.8	1.8
Other costs:						
Occupier's repairs	5,935	5,702	6,209	6,229	1.7	1.6
Permanent crop depreciation	-29	5	-30	5	0.0	0.0
Water	1,911	2,024	1,999	2,211	0.6	0.6
Sundries	16,838	19,719	17,616	21,541	4.9	5.5
Total fixed costs	189,255	200,060	197,997	218,547	55.3	55.5
Management & investment income	10,381	18,909	10,861	20,657	3.0	5.2
Minus: management salaries	985	1,019	1,030	1,113	0.3	0.3
Plus: farmer & spouse labour	23,155	23,007	24,225	25,133	6.8	6.4
Net farm income	32,552	40,897	34,056	44,676	9.5	11.4
Farm business income	34,625	42,361	36,224	46,276	10.1	11.8

Table 2.7 Specialist glass businesses (50% or more of crop output from glasshouse production) - mainly edible crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	26	25	26	25	26	25
Productive area of glass (ha)	1.3271	1.0202	1.3271	1.0202		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	350,553	307,533	264,149	301,456	100	100
Variable costs						
Seed & young plants	20,684	15,998	15,586	15,682	5.9	5.2
Fertilisers & composts	10,928	8,899	8,234	8,723	3.1	2.9
Crop protection	2,911	2,616	2,193	2,564	0.8	0.9
Market charges	27,330	25,462	20,594	24,959	7.8	8.3
Packing materials	17,136	13,842	12,913	13,569	4.9	4.5
Horticultural sundries	13,902	9,231	10,476	9,049	4.0	3.0
Glasshouse fuel	55,122	45,516	41,536	44,617	15.7	14.8
Other variable costs	28	36	21	36	0.0	0.0
Total variable costs	148,041	121,601	111,552	119,198	42.2	39.5
Total gross margin	202,512	185,932	152,597	182,258	57.8	60.5
Fixed costs						
Labour:						
Regular paid	84,876	71,248	63,956	69,841	24.2	23.2
Regular unpaid	25,290	24,540	19,057	24,055	7.2	8.0
Casual labour	10,038	9,329	7,563	9,145	2.9	3.0
Power & machinery costs:						
Contract & hire	2,312	496	1,742	486	0.7	0.2
Fuel & electricity	8,775	8,107	6,612	7,947	2.5	2.6
Repairs	5,187	10,436	3,908	10,230	1.5	3.4
Machinery depreciation	6,965	6,565	5,248	6,435	2.0	2.1
Glasshouse depreciation	9,477	7,540	7,141	7,391	2.7	2.5
Rent (incl. imputed)	11,444	8,558	8,623	8,389	3.3	2.8
Other costs:						
Occupier's repairs	8,949	6,861	6,743	6,726	2.6	2.2
Permanent crop depreciation	-73	5	-55	5	0.0	0.0
Water	2,367	1,995	1,784	1,955	0.7	0.6
Sundries	14,884	12,351	11,215	12,107	4.2	4.0
Total fixed costs	190,490	168,030	143,539	164,711	54.3	54.6
Management & investment income	12,021	17,901	9,058	17,548	3.4	5.8
Minus: management salaries	341	75	257	73	0.1	0.0
Plus: farmer & spouse labour	22,411	21,845	16,887	21,414	6.4	7.1
Net farm income	34,092	39,672	25,689	38,888	9.7	12.9
Farm business income	35,933	42,225	27,076	41,391	10.3	13.7

Crop output per cent of total crop output (%)

	Average 2006	Average 2007
Glasshouse crops		
Flowers & nursery stock	0.0	0.0
Tomatoes	48.6	53.4
Lettuce	5.2	7.9
Soft fruit	25.2	12.3
Other glasshouse crops	17.8	25.9
Outdoor crops		
Flowers & nursery stock	0.0	0.0
Vegetables	0.2	0.2
Fruit	3.0	0.2
Other outdoor crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2006	Average 2007
Crops & tillages	1	1
Stores	6	5
Glasshouses	25	28
Equipment	23	22
Livestock	0	0
Other	46	45
Total	100	100

Tenant's capital (£) **254,557** **192,302**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2006	Average 2007
Over £100,000	6	6
£50,000 to <£100,000	6	5
£25,000 to <£50,000	3	3
£12,500 to <£25,000	3	5
0 to <£12,000	3	5
-£12,000 to 0	3	0
-£25,000 to <-£12,500	0	1
-£50,000 to <-£25,000	1	0
Below -£50,000	1	0
Total	26	25

* no premium figures, sample too small

Table 2.8 Specialist glass businesses (50% or more of crop output from glasshouse production) - mainly non-edible crops

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	54	54	54	54	54	54
Productive area of glass (ha)	0.6794	0.8363	0.6794	0.8363		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	336,118	400,163	494,746	478,478	100	100
Variable costs						
Seed & young plants	79,494	87,979	117,010	105,197	23.7	22.0
Fertilisers & composts	9,409	12,182	13,849	14,566	2.8	3.0
Crop protection	2,016	2,364	2,967	2,827	0.6	0.6
Market charges	7,828	12,445	11,522	14,881	2.3	3.1
Packing materials	12,713	17,318	18,713	20,707	3.8	4.3
Horticultural sundries	13,917	11,549	20,485	13,809	4.1	2.9
Glasshouse fuel	13,247	12,413	19,499	14,842	3.9	3.1
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	138,624	156,250	204,046	186,829	41.2	39.0
Total gross margin	197,495	243,914	290,700	291,650	58.8	61.0
Fixed costs						
Labour:						
Regular paid	81,986	103,643	120,679	123,927	24.4	25.9
Regular unpaid	26,908	27,766	39,607	33,200	8.0	6.9
Casual labour	10,189	12,233	14,998	14,627	3.0	3.1
Power & machinery costs:						
Contract & hire	6,728	6,411	9,904	7,665	2.0	1.6
Fuel & electricity	8,572	10,216	12,617	12,216	2.6	2.6
Repairs	5,818	5,796	8,564	6,931	1.7	1.4
Machinery depreciation	8,417	11,401	12,389	13,633	2.5	2.8
Glasshouse depreciation	8,139	9,678	11,980	11,572	2.4	2.4
Rent (incl. imputed)	8,017	4,938	11,801	5,904	2.4	1.2
Other costs:						
Occupier's repairs	3,691	4,826	5,433	5,771	1.1	1.2
Permanent crop depreciation	4	5	6	6	0.0	0.0
Water	1,571	2,047	2,312	2,447	0.5	0.5
Sundries	18,294	25,282	26,927	30,230	5.4	6.3
Total fixed costs	188,335	224,243	277,217	268,129	56.0	56.0
Management & investment income	9,160	19,670	13,483	23,520	2.7	4.9
Minus: management salaries	1,464	1,732	2,155	2,071	0.4	0.4
Plus: farmer & spouse labour	23,709	23,884	34,899	28,558	7.1	6.0
Net farm income	31,405	41,822	46,227	50,007	9.3	10.5
Farm business income	33,651	42,464	49,532	50,774	10.0	10.6

Premium businesses	Per	Per £100	<u>Crop output per cent of total crop output (%)</u>		
	hectare	of gross	Average	Average	Premium
	2007	output	2006	2007	2007
		2007			
Number of businesses	18	18			
Productive area of glass (ha)	0.7877				
	£ per hectare	average %			
Gross output	815,499	100.0			
Variable costs					
Seed & young plants	183,487	22.5	Glasshouse crops		
Fertilisers & composts	21,747	2.7	Flowers & nursery stock	81.0	81.7
Crop protection	3,420	0.4	Tomatoes	0.3	0.2
			Lettuce	0.0	0.0
Market charges	23,349	2.9	Soft fruit	0.0	0.0
Packing materials	31,816	3.9	Other glasshouse crops	9.6	9.9
Horticultural sundries	9,625	1.2	Outdoor crops		
Glasshouse fuel	16,315	2.0	Flowers & nursery stock	8.9	8.1
Other variable costs	0	0.0	Vegetables	0.0	0.0
			Fruit	0.1	0.0
			Other outdoor crops	0.1	0.0
Total variable costs	289,759	35.5	Total	100.0	100.0
Total gross margin	525,740	64.5			100.0
Fixed costs			<u>Distribution of tenant's type capital (%)</u>		
Labour:				Average	Average
Regular paid	225,189	27.6		2006	2007
Regular unpaid	41,054	5.0	Crops & tillages	7	7
Casual labour	18,610	2.3	Stores	9	11
			Glasshouses	17	20
Power & machinery costs:			Equipment	32	28
Contract & hire	21,422	2.6	Livestock	0	0
Fuel & electricity	19,065	2.3	Other	36	33
Repairs	8,677	1.1	Total	100	100
Machinery depreciation	17,088	2.1			
Glasshouse depreciation	19,254	2.4	Tenant's capital (£)	239,987	299,358
Rent (incl. imputed)	7,982	1.0		460,432	
Other costs:			<u>Farm business income (FBI)</u>		
Occupier's repairs	7,443	0.9	(distribution by number of businesses)		
Permanent crop depreciation	1	0.0		Average	Average
Water	3,018	0.4		2006	2007
Sundries	51,145	6.3	Over £100,000	9	10
Total fixed costs	439,948	53.9	£50,000 to <£100,000	9	7
Management & investment income	85,792	10.5	£25,000 to <£50,000	10	6
Minus: management salaries	3,499	0.4	£12,500 to <£25,000	14	11
Plus: farmer & spouse labour	34,216	4.2	0 to <£12,000	3	13
Net farm income	116,509	14.3	-£12,000 to 0	5	2
Farm business income	119,406	14.6	-£25,000 to <-£12,500	1	1
			-£50,000 to <-£25,000	0	3
			Below -£50,000	3	1
			Total	54	54

Table 2.9 Specialist glass businesses (90% or more of crop output from glasshouse production)

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	65	67	65	67	65	67
Productive area of glass (ha)	0.8863	0.9633	0.8863	0.9633		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	339,857	360,209	383,466	373,945	100	100
Variable costs						
Seed & young plants	48,906	55,121	55,181	57,223	14.4	15.3
Fertilisers & composts	10,881	11,965	12,277	12,422	3.2	3.3
Crop protection	2,476	2,743	2,794	2,848	0.7	0.8
Market charges	18,145	20,426	20,473	21,205	5.3	5.7
Packing materials	14,889	16,422	16,799	17,048	4.4	4.6
Horticultural sundries	14,667	12,175	16,550	12,639	4.3	3.4
Glasshouse fuel	38,959	31,882	43,958	33,097	11.5	8.9
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	148,922	150,733	168,032	156,481	43.8	41.8
Total gross margin	190,935	209,476	215,435	217,464	56.2	58.2
Fixed costs						
Labour:						
Regular paid	79,859	85,187	90,106	88,435	23.5	23.6
Regular unpaid	25,032	25,357	28,244	26,324	7.4	7.0
Casual labour	10,505	11,300	11,853	11,731	3.1	3.1
Power & machinery costs:						
Contract & hire	998	825	1,126	856	0.3	0.2
Fuel & electricity	7,886	8,960	8,898	9,302	2.3	2.5
Repairs	4,829	8,457	5,449	8,780	1.4	2.3
Machinery depreciation	8,122	9,871	9,164	10,248	2.4	2.7
Glasshouse depreciation	10,160	9,635	11,464	10,003	3.0	2.7
Rent (incl. imputed)	9,676	7,032	10,918	7,300	2.8	2.0
Other costs:						
Occupier's repairs	6,661	6,314	7,516	6,555	2.0	1.8
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	1,808	2,065	2,040	2,144	0.5	0.6
Sundries	15,415	17,867	17,393	18,549	4.5	5.0
Total fixed costs	180,952	192,870	204,171	200,225	53.2	53.5
Management & investment income	9,983	16,606	11,264	17,239	2.9	4.6
Minus: management salaries	669	581	755	603	0.2	0.2
Plus: farmer & spouse labour	21,853	21,897	24,657	22,732	6.4	6.1
Net farm income	31,167	37,922	35,166	39,368	9.2	10.5
Farm business income	33,591	39,558	37,901	41,066	9.9	11.0

Table 2.10 Specialist glass businesses (90% or more of crop output from glasshouse production) - mainly edible crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	22	22	22	22	22	22
Productive area of glass (ha)	1.1075	1.0707	1.1075	1.0707		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	378,594	356,393	341,839	332,864	100	100
Variable costs						
Seed & young plants	18,418	18,332	16,630	17,121	4.9	5.1
Fertilisers & composts	11,312	10,355	10,213	9,672	3.0	2.9
Crop protection	2,844	3,014	2,568	2,815	0.8	0.8
Market charges	28,006	29,931	25,287	27,955	7.4	8.4
Packing materials	16,653	16,312	15,036	15,235	4.4	4.6
Horticultural sundries	14,270	10,310	12,884	9,629	3.8	2.9
Glasshouse fuel	67,678	53,920	61,108	50,360	17.9	15.1
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	159,181	142,173	143,727	132,787	42.0	39.9
Total gross margin	219,414	214,220	198,112	200,077	58.0	60.1
Fixed costs						
Labour:						
Regular paid	87,692	82,798	79,179	77,332	23.2	23.2
Regular unpaid	23,081	22,846	20,840	21,338	6.1	6.4
Casual labour	11,311	10,236	10,213	9,560	3.0	2.9
Power & machinery costs:						
Contract & hire	1,413	562	1,275	525	0.4	0.2
Fuel & electricity	9,414	9,273	8,500	8,661	2.5	2.6
Repairs	5,190	12,225	4,687	11,418	1.4	3.4
Machinery depreciation	7,314	7,522	6,604	7,025	1.9	2.1
Glasshouse depreciation	11,211	8,872	10,122	8,287	3.0	2.5
Rent (incl. imputed)	11,645	9,746	10,515	9,103	3.1	2.7
Other costs:						
Occupier's repairs	9,817	8,006	8,863	7,478	2.6	2.2
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,273	2,212	2,052	2,066	0.6	0.6
Sundries	16,598	14,129	14,987	13,196	4.4	4.0
Total fixed costs	196,958	188,428	177,837	175,988	52.0	52.9
Management & investment income	22,456	25,792	20,276	24,089	5.9	7.2
Minus: management salaries	423	89	382	83	0.1	0.0
Plus: farmer & spouse labour	19,940	19,837	18,004	18,528	5.3	5.6
Net farm income	41,973	45,541	37,898	42,534	11.1	12.8
Farm business income	44,219	48,187	39,926	45,006	11.7	13.5

Crop output per cent of total crop output (%)

	Average 2006	Average 2007
Glasshouse crops		
Flowers & nursery stock	0.0	0.0
Tomatoes	62.0	54.8
Lettuce	6.6	8.1
Soft fruit	10.2	12.1
Other glasshouse crops	21.2	25.0
Outdoor crops		
Flowers & nursery stock	0.0	0.0
Vegetables	0.0	0.0
Fruit	0.0	0.0
Other outdoor crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2006	Average 2007
Crops & tillages	0	0
Stores	5	4
Glasshouses	31	32
Equipment	21	19
Livestock	0	0
Other	42	45
Total	100	100

Tenant's capital (£) **263,223** **224,921**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2006	Average 2007
Over £100,000	6	6
£50,000 to <£100,000	6	5
£25,000 to <£50,000	3	3
£12,500 to <£25,000	2	4
0 to <£12,000	1	3
-£12,000 to 0	3	0
-£25,000 to <-£12,500	0	1
-£50,000 to <-£25,000	1	0
Below -£50,000	0	0
Total	22	22

** no premium figures, sample too small*

Table 2.11 Specialist glass businesses (90% or more of crop output from glasshouse production) - mainly non-edible crops

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	43	45	43	45	43	45
Productive area of glass (ha)	0.7059	0.8768	0.7059	0.8768		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	308,270	363,281	436,726	414,320	100	100
Variable costs						
Seed & young plants	73,767	84,731	104,505	96,635	23.9	23.3
Fertilisers & composts	10,529	13,261	14,917	15,125	3.4	3.7
Crop protection	2,175	2,526	3,082	2,880	0.7	0.7
Market charges	10,104	12,775	14,314	14,570	3.3	3.5
Packing materials	13,451	16,510	19,056	18,830	4.4	4.5
Horticultural sundries	14,992	13,675	21,239	15,597	4.9	3.8
Glasshouse fuel	15,540	14,144	22,015	16,131	5.0	3.9
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	140,558	157,623	199,128	179,768	45.6	43.4
Total gross margin	167,713	205,658	237,598	234,552	54.4	56.6
Fixed costs						
Labour:						
Regular paid	73,471	87,109	104,087	99,348	23.8	24.0
Regular unpaid	26,623	27,377	37,717	31,224	8.6	7.5
Casual labour	9,847	12,157	13,951	13,865	3.2	3.3
Power & machinery costs:						
Contract & hire	660	1,036	935	1,182	0.2	0.3
Fuel & electricity	6,641	8,708	9,408	9,931	2.2	2.4
Repairs	4,534	5,424	6,424	6,186	1.5	1.5
Machinery depreciation	8,781	11,762	12,440	13,415	2.8	3.2
Glasshouse depreciation	9,304	10,249	13,181	11,689	3.0	2.8
Rent (incl. imputed)	8,071	4,847	11,434	5,528	2.6	1.3
Other costs:						
Occupier's repairs	4,088	4,953	5,791	5,649	1.3	1.4
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	1,428	1,947	2,024	2,221	0.5	0.5
Sundries	14,450	20,876	20,472	23,809	4.7	5.7
Total fixed costs	167,900	196,446	237,864	224,046	54.5	54.1
Management & investment income	-187	9,212	-266	10,506	-0.1	2.5
Minus: management salaries	869	977	1,232	1,115	0.3	0.3
Plus: farmer & spouse labour	23,412	23,555	33,168	26,864	7.6	6.5
Net farm income	22,355	31,789	31,670	36,256	7.3	8.8
Farm business income	24,924	32,612	35,309	37,194	8.1	9.0

Premium businesses	Per	Per £100	Crop output per cent of total crop output (%)		
	hectare	of gross	Average	Average	Premium
	2007	output	2006	2007	2007
		2007			
Number of businesses	15	15			
Productive area of glass (ha)	0.9831				
	£ per hectare	average %			
Gross output	674,108	100.0			
Variable costs					
Seed & young plants	173,458	25.7	Glasshouse crops		
Fertilisers & composts	25,827	3.8	Flowers & nursery stock	85.3	85.8
Crop protection	3,264	0.5	Tomatoes	0.4	0.3
			Lettuce	0.0	0.0
Market charges	24,138	3.6	Soft fruit	0.0	0.0
Packing materials	31,198	4.6	Other glasshouse crops	14.1	13.7
Horticultural sundries	14,316	2.1	Outdoor crops		
Glasshouse fuel	18,006	2.7	Flowers & nursery stock	0.3	0.2
Other variable costs	0	0.0	Vegetables	0.0	0.0
			Fruit	0.0	0.0
			Other outdoor crops	0.0	0.0
Total variable costs	290,207	43.1	Total	100.0	100.0
Total gross margin	383,901	56.9			
Fixed costs			Distribution of tenant's type capital (%)		
Labour:			Average	Average	Premium
Regular paid	161,550	24.0	2006	2007	2007
Regular unpaid	33,479	5.0			
Casual labour	29,834	4.4	Crops & tillages	7	6
			Stores	10	10
Power & machinery costs:			Glasshouses	19	24
Contract & hire	2,512	0.4	Equipment	28	30
Fuel & electricity	10,674	1.6	Livestock	0	0
Repairs	5,217	0.8	Other	35	30
Machinery depreciation	14,733	2.2	Total	100	100
Glasshouse depreciation	19,639	2.9	Tenant's capital (£)	252,421	285,768
Rent (incl. imputed)	6,597	1.0			474,801
Other costs:			Farm business income (FBI)		
Occupier's repairs	7,735	1.1	(distribution by number of businesses)		
Permanent crop depreciation	0	0.0	Average	Average	
Water	2,342	0.3	2006	2007	
Sundries	29,594	4.4			
Total fixed costs	323,906	48.0	Over £100,000	6	7
Management & investment income	59,995	8.9	£50,000 to <£100,000	8	7
Minus: management salaries	210	0.0	£25,000 to <£50,000	8	6
Plus: farmer & spouse labour	27,590	4.1	£12,500 to <£25,000	10	8
			0 to <£12,000	3	10
Net farm income	87,374	13.0	-£12,000 to 0	4	2
			-£25,000 to <-£12,500	1	1
Farm business income	92,131	13.7	-£50,000 to <-£25,000	0	3
			Below -£50,000	3	1
			Total	43	45

Table 2.12 All specialist fruit businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	43	41	43	41	43	41
Productive area of business (ha)	32.70	33.04	32.70	33.04		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	172,387	223,358	5,271	6,761	100	100
Variable costs						
Seed & young plants	2,599	3,299	79	100	1.5	1.5
Fertilisers & composts	2,015	2,209	62	67	1.2	1.0
Crop protection	8,256	9,362	252	283	4.8	4.2
Market charges	18,154	24,591	555	744	10.5	11.0
Packing materials	16,516	19,967	505	604	9.6	8.9
Horticultural sundries	11,155	7,945	341	240	6.5	3.6
Glasshouse fuel	113	166	3	5	0.1	0.1
Other variable costs	1,065	974	33	29	0.6	0.4
Total variable costs	59,873	68,513	1,831	2,074	34.7	30.7
Total gross margin	112,514	154,844	3,441	4,687	65.3	69.3
Fixed costs						
Labour:						
Regular paid	19,853	21,757	607	659	11.5	9.7
Regular unpaid	16,047	16,893	491	511	9.3	7.6
Casual labour	25,445	36,182	778	1,095	14.8	16.2
Power & machinery costs:						
Contract & hire	4,873	4,914	149	149	2.8	2.2
Fuel & electricity	5,292	6,242	162	189	3.1	2.8
Repairs	5,040	6,882	154	208	2.9	3.1
Machinery depreciation	6,452	8,819	197	267	3.7	3.9
Glasshouse depreciation	3	3	0	0	0.0	0.0
Rent (incl. imputed)	14,505	11,362	444	344	8.4	5.1
Other costs:						
Occupier's repairs	2,941	3,271	90	99	1.7	1.5
Permanent crop depreciation	2,196	2,349	67	71	1.3	1.1
Water	921	1,163	28	35	0.5	0.5
Sundries	10,791	12,089	330	366	6.3	5.4
Total fixed costs	114,360	131,926	3,497	3,993	66.3	59.1
Management & investment income	-1,847	22,919	-56	694	-1.1	10.3
Minus: management salaries	569	846	17	26	0.3	0.4
Plus: farmer & spouse labour	13,928	14,628	426	443	8.1	6.5
Net farm income	11,512	36,702	352	1,111	6.7	16.4
Farm business income	17,911	39,572	548	1,198	10.4	17.7

Table 2.13 Specialist fruit businesses, mainly top fruit*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	25	24	25	24	25	24
Productive area of business (ha)	25.81	26.33	25.81	26.33		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	155,143	216,197	6,012	8,211	100	100
Variable costs						
Seed & young plants	198	563	8	21	0.1	0.3
Fertilisers & composts	1,190	1,506	46	57	0.8	0.7
Crop protection	8,589	9,469	333	360	5.5	4.4
Market charges	22,637	33,476	877	1,271	14.6	15.5
Packing materials	17,782	24,170	689	918	11.5	11.2
Horticultural sundries	7,146	8,303	277	315	4.6	3.8
Glasshouse fuel	180	276	7	10	0.1	0.1
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	57,722	77,763	2,237	2,953	37.2	36.0
Total gross margin	97,421	138,435	3,775	5,257	62.8	64.0
Fixed costs						
Labour:						
Regular paid	17,434	20,694	676	786	11.2	9.6
Regular unpaid	14,759	16,363	572	621	9.5	7.6
Casual labour	18,725	30,936	726	1,175	12.1	14.3
Power & machinery costs:						
Contract & hire	5,664	3,711	219	141	3.7	1.7
Fuel & electricity	5,492	6,780	213	257	3.5	3.1
Repairs	4,142	6,327	161	240	2.7	2.9
Machinery depreciation	6,364	9,491	247	360	4.1	4.4
Glasshouse depreciation	7	0	0	0	0.0	0.0
Rent (incl. imputed)	15,140	11,709	587	445	9.8	5.4
Other costs:						
Occupier's repairs	2,548	3,313	99	126	1.6	1.5
Permanent crop depreciation	2,269	4,069	88	155	1.5	1.9
Water	457	548	18	21	0.3	0.3
Sundries	8,716	10,041	338	381	5.6	4.6
Total fixed costs	101,716	123,982	3,942	4,708	65.6	57.3
Management & investment income	-4,295	14,453	-166	549	-2.8	6.7
Minus: management salaries	199	691	8	26	0.1	0.3
Plus: farmer & spouse labour	13,409	14,396	520	547	8.6	6.7
Net farm income	8,914	28,158	345	1,069	5.7	13.0
Farm business income	14,698	29,832	570	1,133	9.5	13.8

Crop output per cent of total crop output (%)

	Average 2006	Average 2007
Top fruit		
Dessert apples & pears	56.2	49.9
Culinary apples	22.0	16.2
Plums	6.6	7.8
Other top fruit	14.1	25.9
Soft fruit		
Strawberries	0.8	0.1
Raspberries	0.0	0.0
Blackcurrants	0.0	0.0
Other soft fruit	0.1	0.0
Other crops	0.3	0.1
Total	100	100

Distribution of tenant's type capital (%)

	Average 2006	Average 2007
Crops & tillages	29	27
Stores	2	3
Glasshouses	0	0
Equipment	42	42
Livestock	0	0
Other	27	29
Total	100	100

Tenant's capital (£) **138,992** **198,901**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2006	Average 2007
Over £100,000	2	3
£50,000 to <£100,000	0	4
£25,000 to <£50,000	6	6
£12,500 to <£25,000	3	2
0 to <£12,000	8	4
-£12,000 to 0	3	2
-£25,000 to <-£12,500	1	0
-£50,000 to <-£25,000	2	2
Below -£50,000	0	1
Total	25	24

** no premium figures, sample too small*

Table 2.14 All specialist hardy nursery stock businesses *

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	44	45	44	45	44	45
Productive area of business (ha)	10.41	12.02	10.41	12.02		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	347,198	413,279	33,343	34,388	100	100
Variable costs						
Seed & young plants	89,475	118,345	8,593	9,847	25.8	28.6
Fertilisers & composts	9,507	9,982	913	831	2.7	2.4
Crop protection	3,058	3,567	294	297	0.9	0.9
Market charges	10,019	13,820	962	1,150	2.9	3.3
Packing materials	4,713	6,398	453	532	1.4	1.5
Horticultural sundries	16,563	16,274	1,591	1,354	4.8	3.9
Glasshouse fuel	1,609	1,485	155	124	0.5	0.4
Other variable costs	212	431	20	36	0.1	0.1
Total variable costs	135,156	170,302	12,980	14,170	38.9	41.2
Total gross margin	212,041	242,977	20,364	20,217	61.1	58.8
Fixed costs						
Labour:						
Regular paid	89,354	94,677	8,581	7,878	25.7	22.9
Regular unpaid	17,638	21,471	1,694	1,787	5.1	5.2
Casual labour	6,230	8,423	598	701	1.8	2.0
Power & machinery costs:						
Contract & hire	2,485	2,276	239	189	0.7	0.6
Fuel & electricity	6,994	7,546	672	628	2.0	1.8
Repairs	6,911	7,458	664	621	2.0	1.8
Machinery depreciation	9,336	9,943	897	827	2.7	2.4
Glasshouse depreciation	3,908	4,296	375	357	1.1	1.0
Rent (incl. imputed)	9,732	8,859	935	737	2.8	2.1
Other costs:						
Occupier's repairs	4,918	6,026	472	501	1.4	1.5
Permanent crop depreciation	2,131	47	205	4	0.6	0.0
Water	1,697	1,647	163	137	0.5	0.4
Sundries	19,049	17,598	1,829	1,464	5.5	4.3
Total fixed costs	180,383	190,267	17,323	15,832	52.0	46.0
Management & investment income	31,658	52,709	3,040	4,386	9.1	12.8
Minus: management salaries	169	2,365	16	197	0.0	0.6
Plus: farmer & spouse labour	15,384	17,099	1,477	1,423	4.4	4.1
Net farm income	46,874	67,444	4,502	5,612	13.5	16.3
Farm business income	47,361	68,589	4,548	5,707	13.6	16.6

Crop output per cent of total crop output (%)

	Average 2006	Average 2007
Hardy nursery stock		
Glasshouse crops	33.9	35.8
Outdoor crops	65.6	63.5
Other crops	0.5	0.7
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2006	Average 2007
Crops & tillages	37	36
Stores	4	6
Glasshouses	6	6
Equipment	21	18
Livestock	0	1
Other	33	33
Total	100	100

Tenant's capital (£) **284,835** **310,427**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2006	Average 2007
Over £100,000	10	11
£50,000 to <£100,000	9	8
£25,000 to <£50,000	7	9
£12,500 to <£25,000	5	6
0 to <£12,000	6	6
-£12,000 to 0	3	4
-£25,000 to <-£12,500	0	1
-£50,000 to <-£25,000	2	0
Below -£50,000	2	0
Total	44	45

** no premium figures, sample too small*

Table 2.15 Specialist hardy nursery stock businesses, mainly protected crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	15	15	15	15	15	15
Productive area of glass (ha)	1.05	0.91	1.05	0.91		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	585,229	540,894	556,857	592,163	100	100
Variable costs						
Seed & young plants	124,695	121,657	118,650	133,189	21.3	22.5
Fertilisers & composts	18,266	15,034	17,381	16,459	3.1	2.8
Crop protection	5,734	5,770	5,456	6,317	1.0	1.1
Market charges	18,459	19,413	17,565	21,253	3.2	3.6
Packing materials	10,728	11,696	10,208	12,805	1.8	2.2
Horticultural sundries	29,151	21,585	27,737	23,631	5.0	4.0
Glasshouse fuel	5,762	4,286	5,482	4,692	1.0	0.8
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	212,795	199,441	202,479	218,345	36.4	36.9
Total gross margin	372,434	341,453	354,379	373,818	63.6	63.1
Fixed costs						
Labour:						
Regular paid	175,792	133,540	167,270	146,197	30.0	24.7
Regular unpaid	18,543	28,315	17,644	30,999	3.2	5.2
Casual labour	12,816	18,983	12,195	20,782	2.2	3.5
Power & machinery costs:						
Contract & hire	4,258	2,015	4,052	2,206	0.7	0.4
Fuel & electricity	11,630	9,509	11,066	10,410	2.0	1.8
Repairs	12,260	11,010	11,666	12,054	2.1	2.0
Machinery depreciation	13,349	9,842	12,702	10,775	2.3	1.8
Glasshouse depreciation	7,626	6,913	7,256	7,568	1.3	1.3
Rent (incl. imputed)	13,794	12,279	13,126	13,443	2.4	2.3
Other costs:						
Occupier's repairs	9,647	7,295	9,179	7,987	1.6	1.3
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	3,375	2,466	3,212	2,700	0.6	0.5
Sundries	29,656	21,718	28,218	23,777	5.1	4.0
Total fixed costs	312,747	263,884	297,585	288,897	53.4	48.8
Management & investment income	59,687	77,569	56,794	84,921	10.2	14.3
Minus: management salaries	715	8,185	680	8,961	0.1	1.5
Plus: farmer & spouse labour	14,646	21,014	13,936	23,006	2.5	3.9
Net farm income	73,619	90,397	70,050	98,966	12.6	16.7
Farm business income	74,359	92,685	70,754	101,470	12.7	17.1

Crop output per cent of total crop output (%)

	Average 2006	Average 2007
Hardy nursery stock		
Glasshouse crops	85.3	90.3
Outdoor crops	14.7	9.7
Other crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2006	Average 2007
Crops & tillages	23	31
Stores	10	12
Glasshouses	12	12
Equipment	19	12
Livestock	0	0
Other	37	33
Total	100	100

Tenant's capital (£) **471,652** **403,310**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2006	Average 2007
Over £100,000	7	6
£50,000 to <£100,000	1	3
£25,000 to <£50,000	1	2
£12,500 to <£25,000	0	1
0 to <£12,000	2	1
-£12,000 to 0	2	1
-£25,000 to <-£12,500	0	1
-£50,000 to <-£25,000	1	0
Below -£50,000	1	0
Total	15	15

** no premium figures, sample too small*

Table 2.16 Specialist hardy nursery stock businesses, mainly outdoor crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	25	25	25	25	25	25
Productive area of business (ha)	8.10	9.40	8.10	9.40		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	291,687	390,129	35,994	41,498	100	100
Variable costs						
Seed & young plants	86,199	132,164	10,637	14,058	29.6	33.9
Fertilisers & composts	7,563	8,867	933	943	2.6	2.3
Crop protection	1,988	2,339	245	249	0.7	0.6
Market charges	8,143	12,404	1,005	1,319	2.8	3.2
Packing materials	2,967	3,860	366	411	1.0	1.0
Horticultural sundries	14,247	15,495	1,758	1,648	4.9	4.0
Glasshouse fuel	369	398	46	42	0.1	0.1
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	121,476	175,527	14,990	18,671	41.6	45.0
Total gross margin	170,212	214,602	21,004	22,827	58.4	55.0
Fixed costs						
Labour:						
Regular paid	66,995	85,189	8,267	9,062	23.0	21.8
Regular unpaid	17,867	18,816	2,205	2,001	6.1	4.8
Casual labour	3,763	3,506	464	373	1.3	0.9
Power & machinery costs:						
Contract & hire	1,417	1,722	175	183	0.5	0.4
Fuel & electricity	5,659	7,051	698	750	1.9	1.8
Repairs	5,399	6,068	666	645	1.9	1.6
Machinery depreciation	8,316	10,345	1,026	1,100	2.9	2.7
Glasshouse depreciation	3,147	3,704	388	394	1.1	0.9
Rent (incl. imputed)	8,141	7,341	1,005	781	2.8	1.9
Other costs:						
Occupier's repairs	3,719	5,083	459	541	1.3	1.3
Permanent crop depreciation	3,191	83	394	9	1.1	0.0
Water	1,298	1,414	160	150	0.4	0.4
Sundries	16,927	17,026	2,089	1,811	5.8	4.4
Total fixed costs	145,838	167,347	17,997	17,801	50.0	42.9
Management & investment income	24,373	47,255	3,008	5,027	8.4	12.1
Minus: management salaries	0	0	0	0	0.0	0.0
Plus: farmer & spouse labour	15,876	15,796	1,959	1,680	5.4	4.0
Net farm income	40,249	63,051	4,967	6,707	13.8	16.2
Farm business income	40,578	63,122	5,007	6,714	13.9	16.2

Crop output per cent of total crop output (%)

	Average 2006	Average 2007
Hardy nursery stock		
Glasshouse crops	4.4	4.7
Outdoor crops	95.3	95.2
Other crops	0.2	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2006	Average 2007
Crops & tillages	40	39
Stores	2	3
Glasshouses	4	4
Equipment	22	21
Livestock	0	0
Other	32	33
Total	100	100

Tenant's capital (£) **243,506** **292,555**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2006	Average 2007
Over £100,000	3	4
£50,000 to <£100,000	6	5
£25,000 to <£50,000	6	6
£12,500 to <£25,000	4	4
0 to <£12,000	3	5
-£12,000 to 0	1	1
-£25,000 to <-£12,500	0	0
-£50,000 to <-£25,000	1	0
Below -£50,000	1	0
Total	25	25

** no premium figures, sample too small*

Table 2.17 All other horticulture businesses*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	31	33	31	33	31	33
Productive area of business (ha)	58.89	64.80	58.89	64.80		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	520,433	482,254	8,837	7,442	100	100
Variable costs						
Seed & young plants	50,978	62,120	866	959	9.8	12.9
Fertilisers & composts	13,562	14,338	230	221	2.6	3.0
Crop protection	12,617	14,471	214	223	2.4	3.0
Market charges	19,614	20,831	333	321	3.8	4.3
Packing materials	26,572	33,812	451	522	5.1	7.0
Horticultural sundries	46,412	15,171	788	234	8.9	3.1
Glasshouse fuel	2,894	3,025	49	47	0.6	0.6
Other variable costs	920	1,391	16	21	0.2	0.3
Total variable costs	173,569	165,159	2,947	2,549	33.4	34.2
Total gross margin	346,863	317,094	5,890	4,894	66.6	65.8
Fixed costs						
Labour:						
Regular paid	86,327	86,584	1,466	1,336	16.6	18.0
Regular unpaid	20,448	19,255	347	297	3.9	4.0
Casual labour	57,707	62,410	980	963	11.1	12.9
Power & machinery costs:						
Contract & hire	14,123	13,301	240	205	2.7	2.8
Fuel & electricity	14,505	15,198	246	235	2.8	3.2
Repairs	20,884	17,781	355	274	4.0	3.7
Machinery depreciation	19,197	19,885	326	307	3.7	4.1
Glasshouse depreciation	1,589	1,069	27	16	0.3	0.2
Rent (incl. imputed)	32,311	29,452	549	455	6.2	6.1
Other costs:						
Occupier's repairs	5,152	6,245	87	96	1.0	1.3
Permanent crop depreciation	1,210	856	21	13	0.2	0.2
Water	2,938	3,128	50	48	0.6	0.6
Sundries	24,419	17,734	415	274	4.7	3.7
Total fixed costs	300,811	292,898	5,108	4,520	57.8	60.7
Management & investment income	46,052	24,197	782	373	8.8	5.0
Minus: management salaries	446	421	8	7	0.1	0.1
Plus: farmer & spouse labour	17,428	17,084	296	264	3.3	3.5
Net farm income	63,034	40,859	1,070	631	12.1	8.5
Farm business income	59,851	45,829	1,016	707	11.5	9.5

Crop output per cent of total crop output (%)

	Average 2006	Average 2007
Glasshouse crops	14.8	12.7
Outdoor vegetables:		
Brassicas	15.3	26.0
Legumes	0.0	0.0
Salad crops	33.2	28.8
Other outdoor vegetables:	21.8	16.9
Flowers & nursery stock	4.0	3.7
Soft fruit	3.5	3.6
Top fruit	1.1	1.1
Farm crops	6.4	7.2
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2006	Average 2007
Crops & tillages	12	11
Stores	8	9
Glasshouses	5	2
Equipment	31	35
Livestock	1	2
Other	43	40
Total	100	100

Tenant's capital (£) **273,213** **275,860**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2006	Average 2007
Over £100,000	8	8
£50,000 to <£100,000	4	8
£25,000 to <£50,000	5	3
£12,500 to <£25,000	2	3
0 to <£12,000	6	4
-£12,000 to 0	2	1
-£25,000 to <-£12,500	2	0
-£50,000 to <-£25,000	1	1
Below -£50,000	1	5
Total	31	33

** no premium figures, sample too small*

Table 2.18 Other horticulture businesses, mainly outdoor vegetable crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2006	2007	2006	2007	2006	2007
Number of businesses	19	21	19	21	19	21
Productive area of business (ha)	84.20	82.63	84.20	82.63		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	591,779	559,723	7,028	6,774	100	100
Variable costs						
Seed & young plants	57,462	52,043	682	630	9.7	9.3
Fertilisers & composts	15,925	14,812	189	179	2.7	2.6
Crop protection	16,208	16,677	192	202	2.7	3.0
Market charges	29,622	26,963	352	326	5.0	4.8
Packing materials	39,832	45,893	473	555	6.7	8.2
Horticultural sundries	42,206	13,632	501	165	7.1	2.4
Glasshouse fuel	1,021	1,012	12	12	0.2	0.2
Other variable costs	1,554	1,887	18	23	0.3	0.3
Total variable costs	203,830	172,919	2,421	2,093	34.4	30.9
Total gross margin	387,949	386,804	4,607	4,681	65.6	69.1
Fixed costs						
Labour:						
Regular paid	88,942	83,691	1,056	1,013	15.0	15.0
Regular unpaid	21,062	21,137	250	256	3.6	3.8
Casual labour	53,614	76,060	637	921	9.1	13.6
Power & machinery costs:						
Contract & hire	20,197	18,112	240	219	3.4	3.2
Fuel & electricity	16,286	18,007	193	218	2.8	3.2
Repairs	28,170	21,534	335	261	4.8	3.8
Machinery depreciation	25,947	25,436	308	308	4.4	4.5
Glasshouse depreciation	772	405	9	5	0.1	0.1
Rent (incl. imputed)	40,606	36,390	482	440	6.9	6.5
Other costs:						
Occupier's repairs	5,722	8,453	68	102	1.0	1.5
Permanent crop depreciation	541	344	6	4	0.1	0.1
Water	4,438	4,186	53	51	0.7	0.7
Sundries	20,092	17,838	239	216	3.4	3.2
Total fixed costs	326,390	331,593	3,876	4,013	55.2	59.2
Management & investment income	61,559	55,211	731	668	10.4	9.9
Minus: management salaries	680	559	8	7	0.1	0.1
Plus: farmer & spouse labour	18,582	19,482	221	236	3.1	3.5
Net farm income	79,461	74,134	944	897	13.4	13.2
Farm business income	78,586	75,219	933	910	13.3	13.4

Crop output per cent of total crop output (%)

	Average 2006	Average 2007
Glasshouse crops	2.1	2.6
Outdoor vegetables:		
Brassicas	17.1	31.1
Legumes	0.0	0.0
Salad crops	46.9	38.1
Other outdoor vegetables	29.2	22.1
Flowers & nursery stock	0.0	0.0
Soft fruit	0.2	0.5
Top fruit	0.1	0.1
Farm crops	4.4	5.5
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2006	Average 2007
Crops & tillages	9	9
Stores	4	5
Glasshouses	5	1
Equipment	36	37
Livestock	1	1
Other	45	47
Total	100	100

Tenant's capital (£) **308,965** **321,281**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2006	Average 2007
Over £100,000	6	6
£50,000 to <£100,000	2	7
£25,000 to <£50,000	3	2
£12,500 to <£25,000	2	1
0 to <£12,000	4	1
-£12,000 to 0	1	1
-£25,000 to <-£12,500	1	0
-£50,000 to <-£25,000	0	1
Below -£50,000	0	2
Total	19	21

** no premium figures, sample too small*

Table 2.19 Balance sheet data for horticultural businesses

Group	All horticulture		Specialist glass		Specialist fruit	
Number of businesses						
Harvest year	2007 Opening	2007 Closing	2007 Opening	2007 Closing	2007 Opening	2007 Closing
Assets						
Fixed assets						
Land,buildings & SPS entitlement	357,183	390,505	236,601	251,208	611,563	650,943
Breeding livestock	667	725	0	0	1,863	1,856
Machinery & glasshouses	89,195	90,935	109,216	109,718	44,759	46,877
Permanent crops	12,517	13,260	3,620	4,432	49,796	54,509
Miscellaneous business assets	1,818	2,633	418	322	662	653
Total fixed assets	461,380	498,058	349,855	365,681	708,643	754,839
Current assets						
Crops & trading livestock	42,418	42,922	14,661	16,765	17,141	13,832
Goods in store	21,715	22,523	16,433	17,398	4,395	6,564
Liquid assets	80,861	88,312	78,738	82,951	53,679	70,881
Total current assets	144,995	153,757	109,833	117,115	75,215	91,277
Total assets	606,375	651,815	459,688	482,796	783,858	846,117
Liabilities						
Bank term loan	26,645	16,876	11,914	13,453	8,205	7,043
Other loans	38,037	36,051	30,188	28,967	44,326	45,600
Bank overdraft	32,147	34,657	19,910	19,973	28,509	32,376
Other short term loans	48,794	52,710	40,225	40,783	27,626	27,213
Total external liabilities	145,622	140,294	102,237	103,176	108,666	112,232
Net worth	460,752	511,520	357,451	379,619	675,193	733,884
Percentage equity (%)	76.0%	78.5%	77.8%	78.6%	86.1%	86.7%

Table 2.20 A comparison of net worth and percentage equity by farm type

	Average Assets 2007/08	Average Liabilities 2007/08	Average Net Worth 2007/08	Average % Equity 2007/08
Defra main farm type				
Lowland cattle & sheep	629,471	52,492	576,979	91.7%
Cereals	1,292,558	114,298	1,178,260	91.2%
Mixed	912,066	119,802	792,264	86.9%
General cropping	1,281,701	158,130	1,123,571	87.7%
Dairy	902,820	164,634	738,186	81.8%
Horticulture	629,095	142,958	486,137	77.3%
Pigs	527,287	207,182	320,105	60.7%
Poultry	605,021	241,669	363,352	60.1%
All businesses	911,849	114,262	797,588	87.5%

Group	Specialist HNS		Other horticulture	
Number of businesses				
Harvest year	2007 Opening	2007 Closing	2007 Opening	2007 Closing
Assets				
Fixed assets				
Land, buildings & SPS entitlement	225,245	244,452	482,343	550,835
Breeding livestock	458	596	708	748
Machinery & glasshouses	85,191	85,677	110,571	115,156
Permanent crops	2,501	2,017	7,966	7,508
Miscellaneous business assets	1,812	4,178	4,048	3,936
Total fixed assets	315,207	336,920	605,636	678,182
Current assets				
Crops & trading livestock	85,635	86,856	20,718	21,512
Goods in store	32,353	34,101	23,430	21,574
Liquid assets	84,718	95,407	97,744	95,719
Total current assets	202,706	216,364	141,893	138,805
Total assets	517,912	553,284	747,528	816,988
Liabilities				
Bank term loan	30,087	27,349	49,435	11,330
Other loans	27,748	27,176	56,731	49,304
Bank overdraft	40,068	41,943	34,201	38,983
Other short term loans	51,671	50,210	68,708	87,539
Total external liabilities	149,574	146,678	209,075	187,157
Net worth	368,339	406,606	538,453	629,831
Percentage equity (%)	71.1%	73.5%	72.0%	77.1%

Glossary

Costs

Expenditure plus opening valuation less closing valuation (where appropriate). Interest on borrowed capital, including bank overdrafts is not included in these calculations.

Farm Business Income (FBI)

Represents the return to all unpaid labour (farmers, spouses and others with an entrepreneurial interest in the farm business) and to all their capital invested in the farm business including land and farm 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 diversifications, single farm payment, agri-environmental payments, other grants and subsidies, miscellaneous receipts; C is defined as variable costs plus fixed costs.

Farm crops

Comprise cereals and other non-horticultural cash crops, fodder crops and grassland.

Fixed costs

These include rent (or imputed rent), regular wages, unpaid manual labour, casual labour, power and machinery costs, glasshouse depreciation, glasshouse fuel, building and general repairs, insurance, water, office expenses and miscellaneous expenditure.

Gross output

Total revenue inclusive of marketing charges, where known, adjusted for changes in valuation of crops and tillage, and less purchases of livestock, or produce for resale. Gross output per hectare reflects the intensity of the system as well as the yields and prices obtained.

Labour

Covers not only the costs of hired labour, but also an appropriate allowance for the unpaid manual labour of the grower and members of the family.

Management and investment income

Total gross output less all costs (including the value of unpaid labour) other than salaried management. It represents the reward to management and use of 'tenant's capital' whether that capital is borrowed or not.

Marketing charges

Include, where known, packhouse charges, paid carriage and commission and handling charges levied on sales.

Net farm income

Represents the return to the grower and spouse for their manual labour as well as for their management and capital investment.

Occupier's repairs

This includes maintenance of glass and the associated heating equipment, as well as traditional tenant type repairs.

Per £100 gross output

Shows the relative importance of the main resources used in each unit product, and in total provide a useful measure of profitability.

Power and machinery

Include contract and hire, fuel, electricity, repairs and an allowance for depreciation. A deduction is made for the private use of vehicles. Machinery depreciation is calculated on a 'replacement cost' basis.

Rent

In the case of an owner occupier, an imputed rent is charged in accordance with what a tenant in similar circumstances, including length of occupation, would be paying.

Standards

Average results are drawn from all holdings in a particular group.

Premium results

Premium results refer to the top third within each sample with the highest management and investment income per hectare.

Tenant's capital

Assets normally provided by tenants and includes growing crops, stores, machinery, livestock, cash and other assets needed to run the business. Permanent crops (including orchards) and glasshouses are also generally considered to be tenant-type capital. It represents approximately the capital currently invested in the horticultural business. The difficulties involved in making any realistic assessment of tenant's capital, particularly of permanent fruit crops, should be kept in mind when interpreting these results.

Total grow margin

This is the difference between total gross output and total variable costs and measures the contribution of the holding towards covering its fixed costs and providing for a profit.

Variable costs

These vary in direct proportion to the size of each holding enterprise and include all purchased seed & your plants, fertiliser & composts, crop protection, market charges, packing materials, horticultural sundries and other variable costs.

Abbreviations used in this Publication

/	per
£	pounds (stirling)
Defra	Department for Environment, Food and Rural Affairs
Ave	Average
depn.	Depreciation
Fert	Fertiliser
ha	hectare
no.	number
n/a	not applicable

Rounding

Totals are calculated from unrounded components and may not therefore be the total of the rounded components shown.

Derivation of Farm Business Income

Net Farm Income

Plus:

Value of unpaid labour [excluding farmer & spouse; already taken into account in deriving Net Farm Income]

Imputed rent and rental value

Non-agricultural output historically not accounted for in Net Farm Income

Less:

Net interest payments

Imputed rent on farmhouse and cottages

Ownership charges [buildings & works depreciation; insurance of farm buildings; landlord-type repairs and upkeep]

Non-agricultural input costs historically not accounted for in Net Farm Income

Equals:

Farm Business Income

Appendix 1: Reports in this series

- **Crop Production in England**
- **Dairy Farming in England**
- **Hill Farming in England**
- **Horticulture Production in England**
- **Lowland Grazing Livestock in England**
- **Pig Production in England**
- **Poultry Production in England**

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