

RBR



Rural Business Research

Farm Business Survey

2008/2009

Horticulture Production in England



Richard Crane and Rod Vaughan

RBR

independent research, data and analysis

Rural Business Research

Farm Business Survey

2008/09

Horticulture Production in England

Richard Crane and Rod Vaughan

RBR at Reading

Agriculture and Food Investigation Team
(AFIT)

Department of Agricultural & Food Economics
School of Agriculture, Policy and Development
University of Reading

4 Earley Gate

Whiteknights

PO Box 237

Reading RG6 6AR

Telephone : 0118 378 7426

Fax : 0118 378 5034

E-mail : r.l.vaughan@reading.ac.uk

April 2010

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 Officer of the Consortium)

Spring 2007

Foreword to the Fourth Series

As agriculture enters the second decade of the 21st Century, the financial prospects for many sectors are arguably brighter than five years ago. The importance of agriculture as a provider of food, environmental and ecosystem services and biofuels, is becoming increasingly recognised. Issues of food security in a world with changing climatic conditions and a growing population have led to agriculture and food production being viewed in a more positive light than has appeared to be the case throughout much of the previous 20 to 30 years. However, countering this growing interest in agriculture, food, the environment and fuel is the prospect of a reduced single payment beyond 2012 and continuing and widening volatility in both input and output prices. In the early months of 2010, the prospects for agriculture and horticulture thus appear somewhat mixed with the outputs being arguably more valued by society, yet with businesses needing to adapt to a potentially more volatile market environment.

Now in its fourth series, these enterprise and farm type reports from *Rural Business Research (RBR)* once again provide independent data and results from expert analysis of the Defra-funded Farm Business Survey (FBS) for England drawing upon 2008/09 data. Users of FBS data increasingly also rely on RBR's other independent outputs that are freely available on-line at www.farmbusinesssurvey.co.uk where Government Office Regional reports and farm business benchmarking services sit along-side the more specialised FBS data builder tool. As with all businesses, farmers and growers are increasingly reliant upon obtaining information from the internet. In order to enhance farmers, growers, advisors and other stakeholders use of our on-line services, RBR plans to host a series of regional workshops in the Spring of 2011 and 2012, and we will be announcing details of these in late 2010 so please visit both www.farmbusinesssurvey.co.uk and www.ruralbusinessresearch.co.uk to keep up to date with new results, publications and our plans for our regional workshops.

We hope that you will find this fourth series of reports to be informative and interesting to your work and businesses. As with all our outputs, *Rural Business Research* provides analysis on agricultural and horticultural business performance to provide users with independent results. We always welcome comment on our outputs, so please let us know your thoughts by emailing paul.wilson@nottingham.ac.uk to let us know your views on our publications.

Dr Paul Wilson

Chief Executive Officer, Rural Business Research

Spring 2010

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.

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

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.

TABLE OF CONTENTS

	Page
Foreword	2
Acknowledgements	3
Table of Contents	4
List of Tables	5
List of Figures	5
Section 1 The Horticultural Sector	7
1.1 Introduction	7
1.2 The contribution of horticulture to UK agricultural output	7
1.3 The change in the composition of the main sectors of horticulture (1972-2008)	8
1.4 Horticultural production (1998-2008)	9
1.5 Summary of horticultural production in 2008	13
1.6 Imports and exports of horticultural produce	16
1.7 Price indices in the UK	17
Section 2 Financial Results for Horticulture in England	19
2.1 Introduction to the data	19
2.2 Definition of horticultural type groups	19
2.3 The sample	21
2.4 Financial results for 2007/08 and 2008/09 financial years, (cropping years 2007 and 2008)	22
Glossary	62
Appendix 1 Reports in this series	64

LIST OF TABLES

		Page
Table 1.1	Index of producer prices	17
Table 1.2	Index of purchase prices	18
Table 2.1	FBS sample compared with June survey data for 2008	21
Table 2.2	All horticultural businesses	26
Table 2.3	All specialist glass businesses	28
Table 2.4	Specialist glass businesses, mainly edible crops	30
Table 2.5	Specialist glass businesses, mainly non-edible crops	32
Table 2.6	Specialist glass businesses (50% or more of crop output from glasshouse production)	34
Table 2.7	Specialist glass businesses (50% or more of crop output from glasshouse production), mainly edible crops	36
Table 2.8	Specialist glass businesses (50% or more of crop output from glasshouse production), mainly non-edible crops	38
Table 2.9	Specialist glass businesses (90% or more of crop output from glasshouse production)	40
Table 2.10	Specialist glass businesses (90% or more of crop output from glasshouse production), mainly edible crops	42
Table 2.11	Specialist glass businesses (90% or more of crop output from glasshouse production), mainly non-edible crops	44
Table 2.12	All specialist fruit businesses	46
Table 2.13	Specialist fruit businesses, mainly top fruit	48
Table 2.14	All specialist hardy nursery stock businesses	50
Table 2.15	Specialist hardy nursery stock businesses, mainly protected crops	52
Table 2.16	Specialist hardy nursery stock businesses, mainly outdoor crops	54
Table 2.17	All other horticulture businesses	56
Table 2.18	Other horticulture businesses, mainly outdoor vegetable crops	58
Table 2.19	Balance sheet data for 2008/09 - horticultural businesses	60
Table 2.20	A comparison of net worth and percentage equity by farm type	60

LIST OF FIGURES

		Page
Figure 1.1	Composition of total UK agricultural output (%)	7
Figure 1.2	Composition of horticultural output (%)	8
Figure 1.3	Composition of the horticultural area (%)	9
Figure 1.4	The value of horticultural production (current prices: £m)	10
Figure 1.5	The area of field vegetables	11
Figure 1.6	The area of other field grown crops	11
Figure 1.7	The area of protected crops	12
Figure 1.8	The area of glasshouse fruit	12
Figure 1.9	The value of horticultural produce in 2008	13
Figure 1.10	The composition of vegetable output in 2008	14
Figure 1.11	The composition of fruit output in 2008	15
Figure 1.12	Value of vegetables (£m)	16
Figure 1.13	Value of fruit (£m)	16
Figure 2.1	Farm business income trend for Horticultural businesses in the FBS in England	22

SECTION 1: THE HORTICULTURAL SECTOR

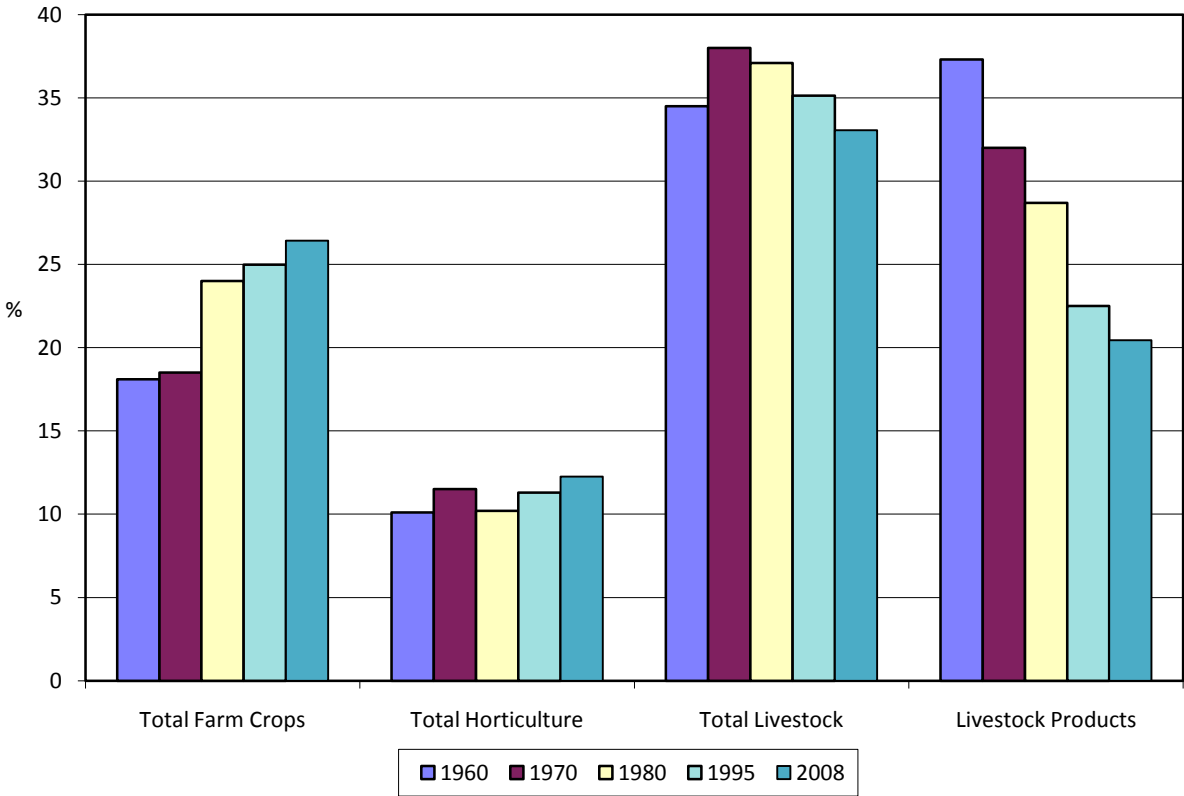
1.1 Introduction

This section of the report gives an overview of the horticultural industry in the United Kingdom, including a snapshot of the different sectors of production, together with other information of interest about the business of horticulture. The data is shown for a range of time periods, to illustrate changing trends for the industry.

1.2 The contribution of horticulture to UK agricultural output

The contribution of horticulture to total agricultural output has changed little in the past fifty years, up by just 2% to 12.3% in 2008. In monetary terms, the production of horticultural crops amounted to £2,414 million in 2008. By contrast the trend for livestock products over the last five decades is reversed with production accounting for 20.5% in 2008, compared with almost 30% in 1980. In 2008 the value recorded for livestock at 33.1% was down on the previous year. It should be noted the output from crops and livestock does not include payments from the Single Farm Payment Scheme 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 (1972-2008)

Figures 1.2 to 1.8 illustrate the relative importance of the three main sectors of horticultural production: vegetables; fruit; 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

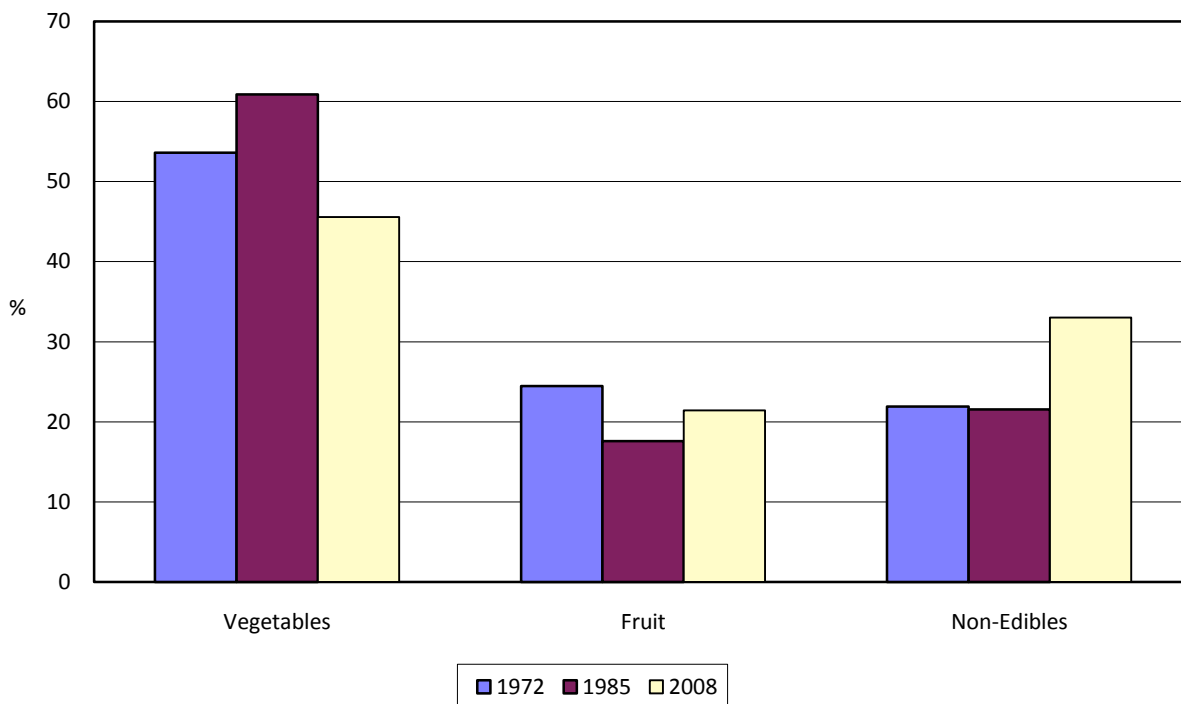


Figure 1.2 shows the composition of horticultural output for 1972, 1985 and 2008. Of greatest significance since 1985 has been the increase in the ornamental sector from one fifth to one third of total horticultural output in 2008. In the same period the production from the vegetable sector declined by around 15% to approximately 45% of the total, whilst for fruit there was a small increase to just over 20%, reversing the earlier downward trend.

² Source: *Agriculture in the UK*, Defra

Figure 1.3 Composition of the horticultural area (%)³

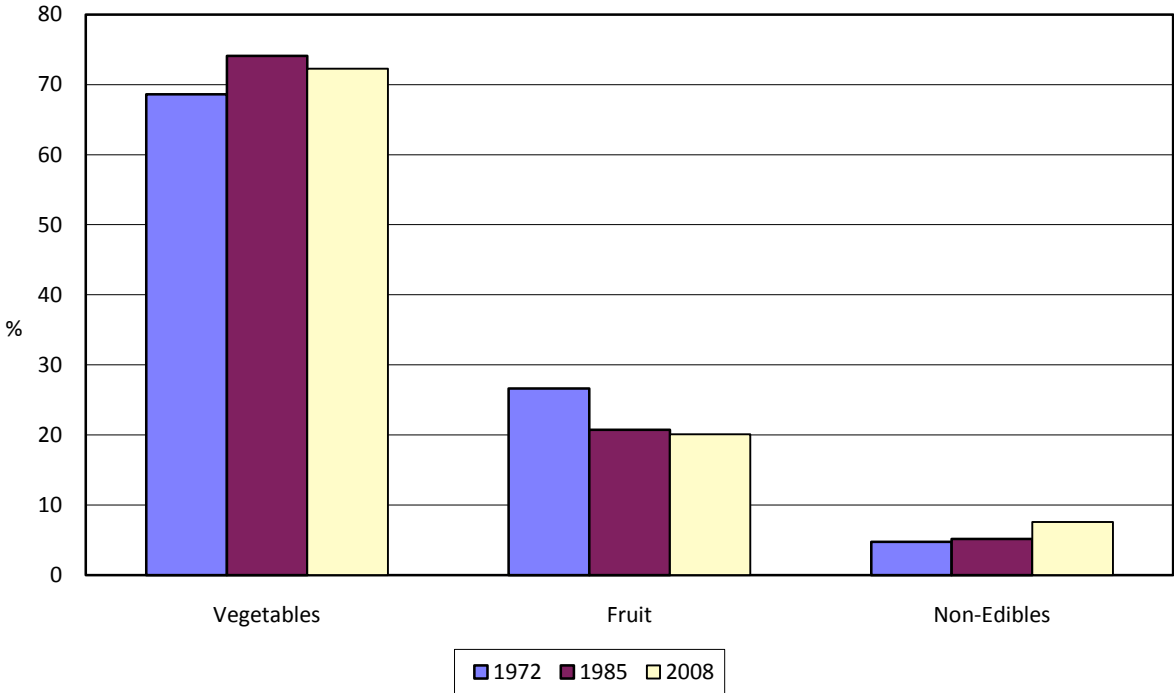


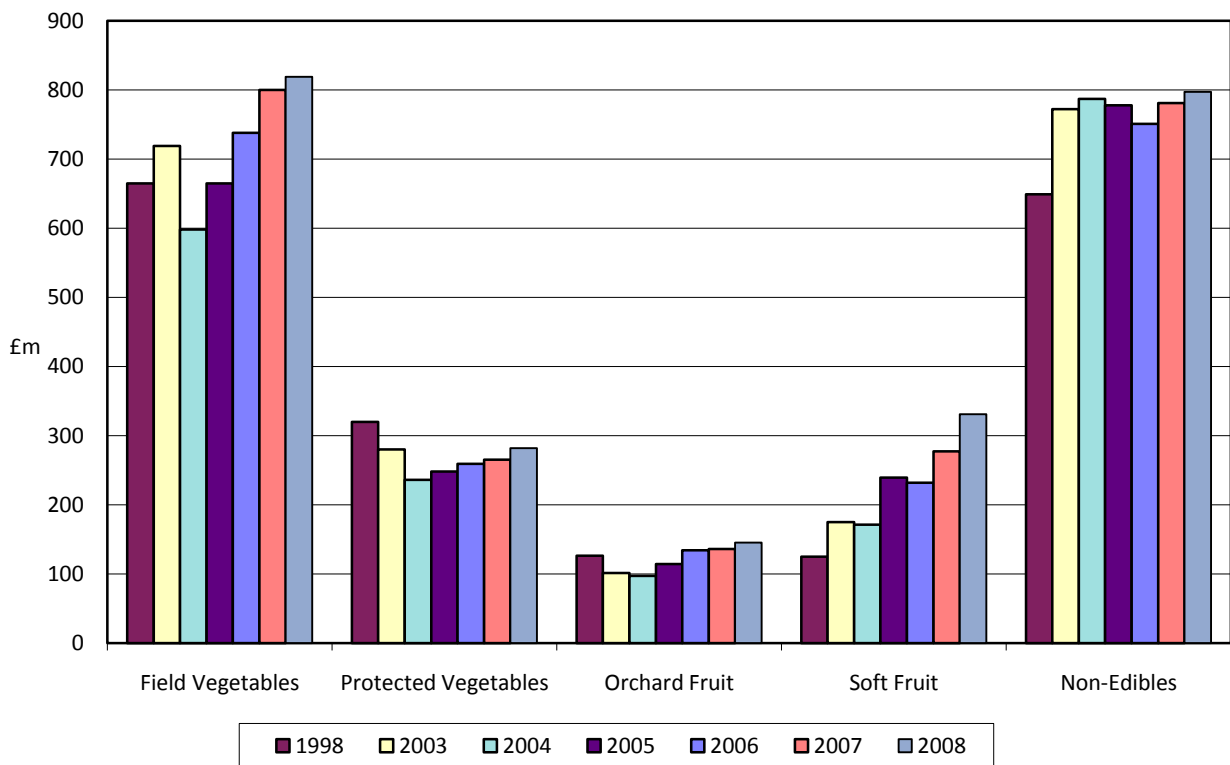
Figure 1.3 shows the composition of the horticultural land area in 1972, 1985 and 2008. The area relates to the total area that crops are grown on, which for some crops sees more than one crop harvested from the same area of land during the cropping year [multiple cropping]. The area of multiple cropping is added to the total area cropped. In total the area used for horticulture has declined from 283,000 hectares in 1972 to 171,000 hectares in 2008, representing a fall of 40%. Although the vegetable sector accounted for 46% of horticultural output in 2008, it used 72% of the land area devoted to horticultural production. Whilst for non-edibles only 8% of the total horticultural area was utilised, accounting for 33% of horticultural output. Fruit growing takes up 20% of land area and produces 20% of output.

1.4 Horticultural production (1998-2008)

Figure 1.4 shows the change in the composition of horticultural output in 1998, 2003, 2004, 2005, 2006, 2007 and 2008 for the main sectors of horticultural production, with values shown at current prices. The most pronounced trend in the value of production is for soft fruit, up from a little over £100 million in 1998 to over £300 million in 2008. This can be explained by the large growth in the protected fruit sector from 2001 to 2008. Another interesting feature relates to the value of production for non edibles hovering around £800 million since 2003. Orchard fruit has also shown a growth in output of 15% since 1998, to £145 million, with a sharp increase in 2008. By contrast the output of protected vegetables has grown by 11%. Field vegetable output has shown more variability than the other crops, but has shown a strong increase in the last four years. The protected vegetable category includes mushroom production which accounts for 38% of output from this sector.

³ Source: *Agriculture in the UK*, Defra

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



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 of the figures is different. As in the previous section, the area of crops takes account of multiple cropping.

⁴ Source: *Agriculture in the UK 2000 & 2009*, Defra

Figure 1.5 The area of field vegetables⁵

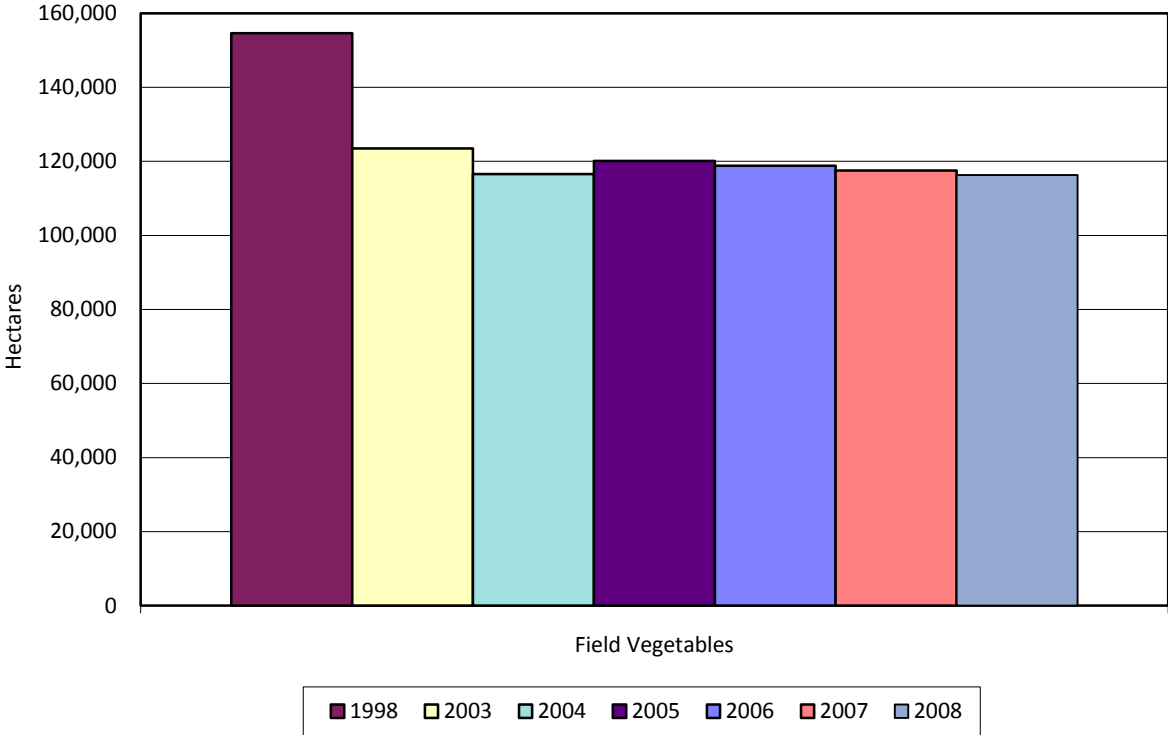
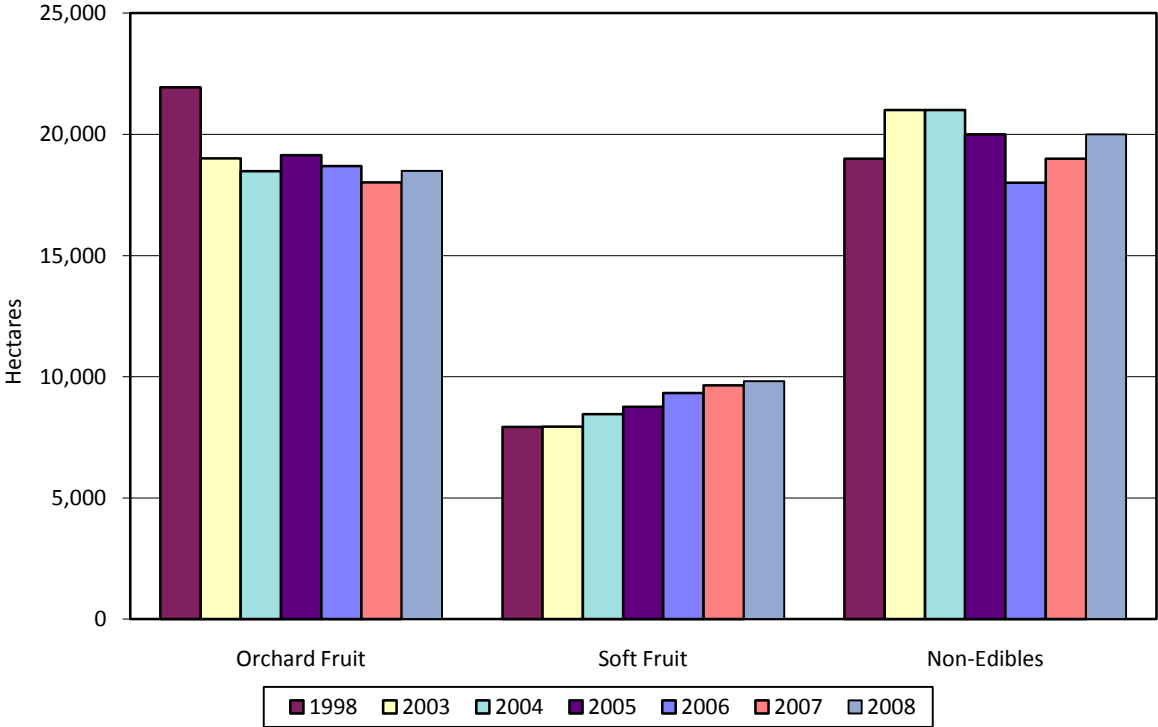


Figure 1.6 The area of other field grown crops⁵



⁵ Source: Agriculture in the UK 2000 & 2009, Defra

Figure 1.7 The area of protected crops⁶

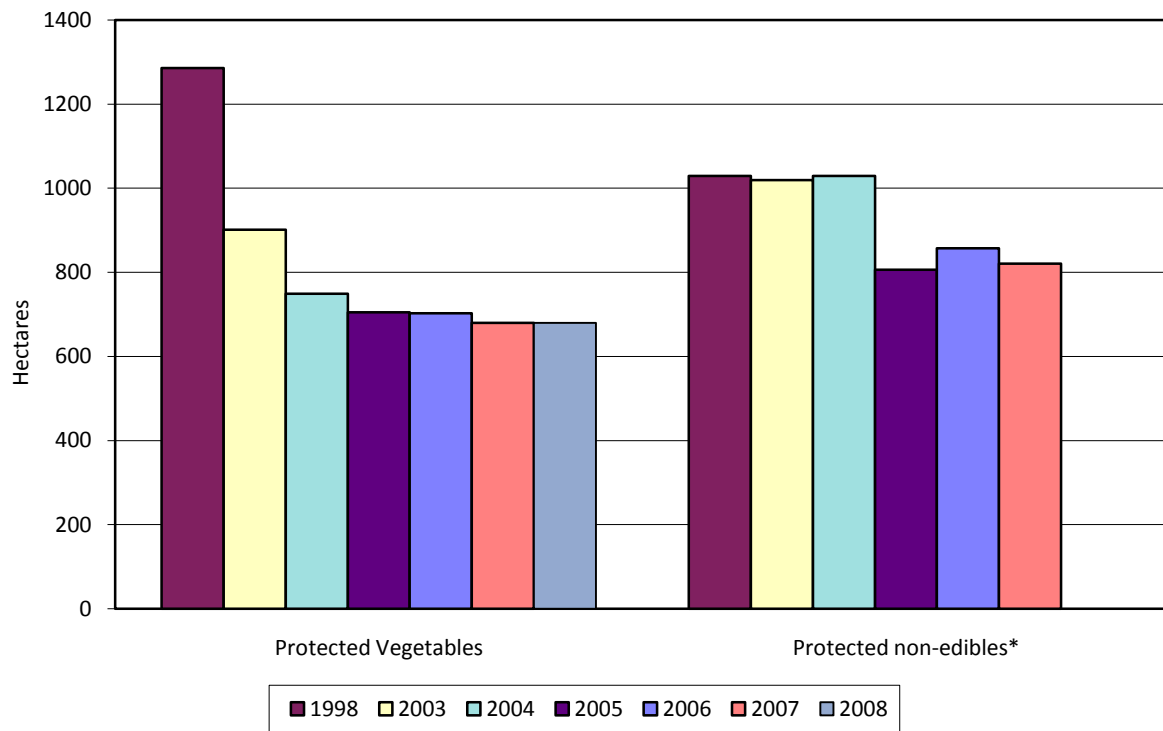
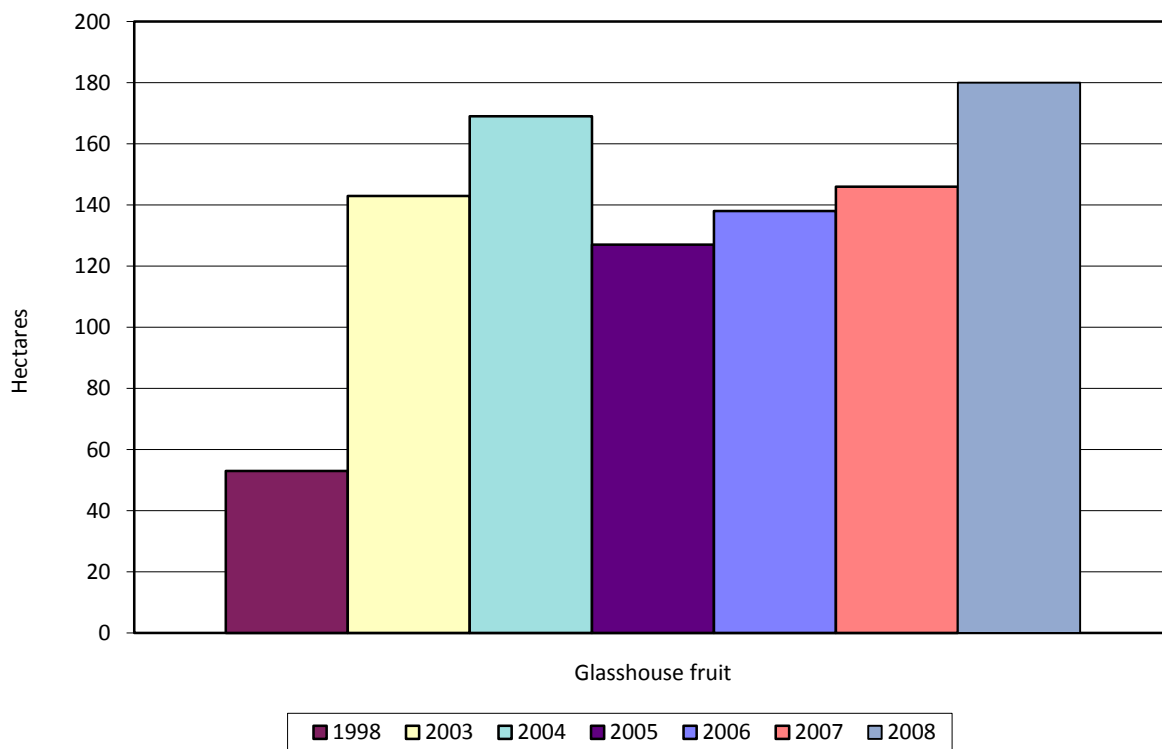


Figure 1.8 The area of glasshouse fruit⁷



⁶ Basic horticultural statistics 2005 & 2009, Defra; Survey of Agriculture and Horticulture June 2008

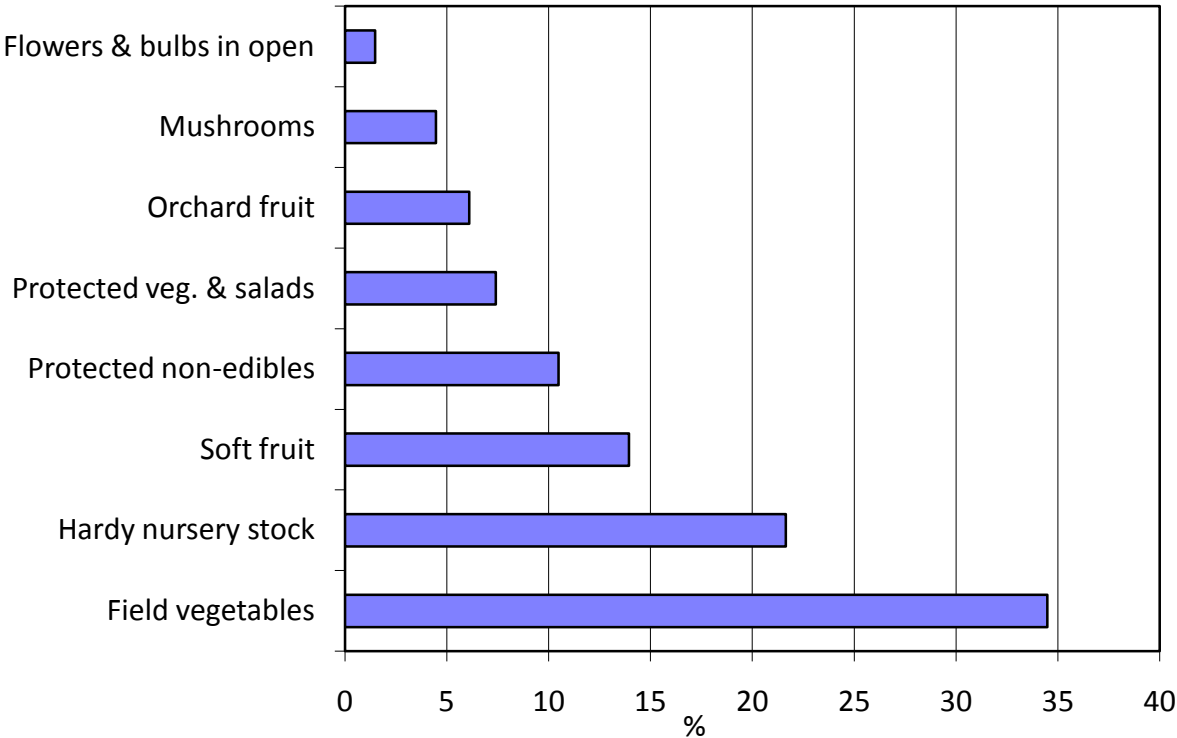
⁷ Basic horticultural statistics 2009, Defra

The area of field vegetables has fallen by 15% in the last ten years to 116,000 hectares in 2008 and the area of orchard fruit has also fallen by around 16% over the same period to 18,500 hectares. Soft fruit grown in the open has shown a small, but steady increase to 9,800 hectares and fruit grown in glasshouses [excludes polytunnel production] has more than tripled from 53 hectares in 1998 to 180 hectares 2008. Although glasshouse fruit production has shown a large expansion, the area of protected vegetables was down by 47% over the same time period, to 680 hectares in 2008. The area of both the protected ornamental sector and ornamentals grown in the open has stayed relatively constant over the same period.

1.5 Summary of horticultural production in 2008

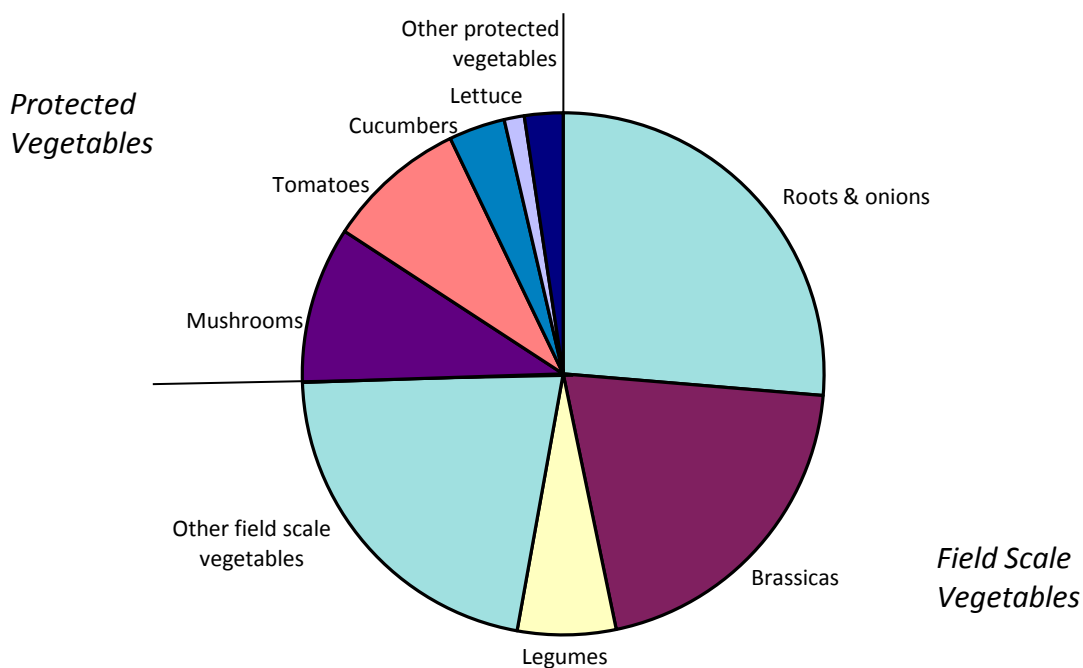
The total value of horticultural produce in 2008 amounted to £2,414 million. Figure 1.9 shows that almost 35% of this output is derived from field scale vegetables, although they account for 71% of the total area of horticultural production. Hardy nursery stock (22%) and soft fruit (14%) are the next largest in value terms followed by protected non-edibles indicating the importance of the 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 The value of horticultural produce in 2008⁸



⁸ Agriculture in the UK 2009, Defra

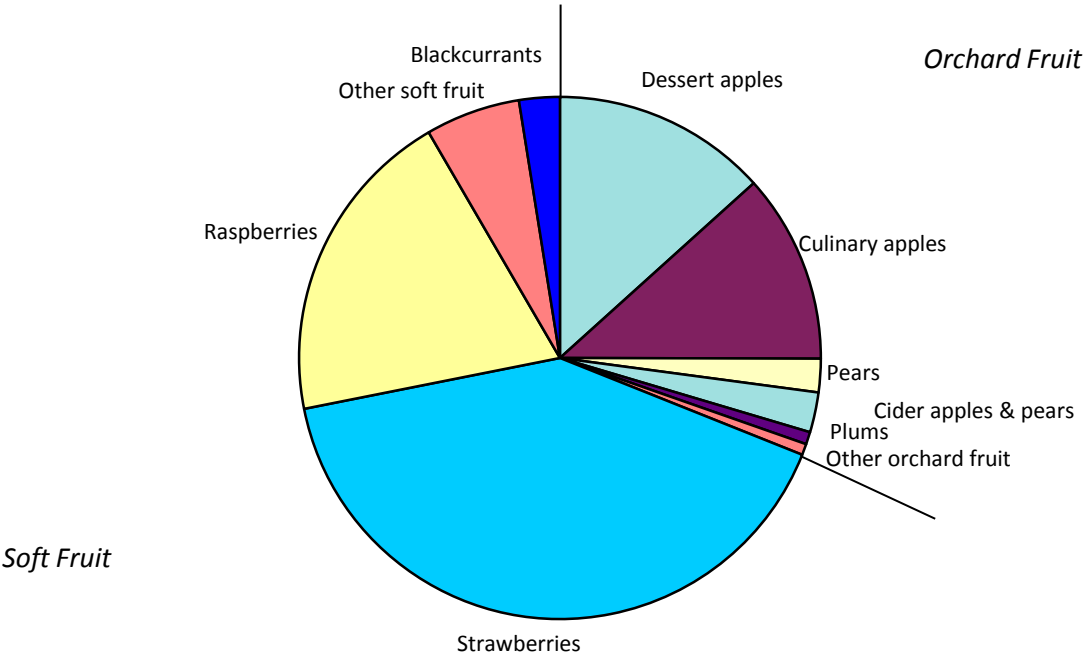
Figure 1.10 The composition of vegetable output in 2008⁹



The data used to produce Figures 1.10 and 1.11 has been compiled from the 2009 edition of Basic Horticultural Statistics in the UK (Defra) and relates to the 2008 cropping year. Field scale vegetables account for close to three quarters of total vegetable output and includes among them beetroot, carrots, parsnips, turnips, swedes, and onions (dry bulb and green). Brassicas account for 27% of field scale vegetables among which are included broccoli, Brussels sprouts, cabbages and cauliflower. Legumes amount to 8% of output. Other field scale vegetables include asparagus, celery, leeks, lettuce, rhubarb and watercress. Protected vegetable output includes mushroom production (38% 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 2009, Defra

Figure 1.11 Composition of fruit output in 2008¹⁰



Soft fruit accounted for 70% of the total fruit output by value in 2008, mainly due to a marked increase in strawberry production, though all soft fruit outputs increased by 20% to £331 million, with the exception of blackcurrants. Strawberry production now accounts for 59% (£196 million) of all soft fruit production. Although glasshouse fruit production is not included in this chart it accounts for approximately 7.5% of the total soft fruit produced. Orchard fruits accounts for 31% of the total outdoor fruit output. Dessert apples make up 43% of the output, with culinary apples accounting for 38%.

¹⁰ Basic horticultural statistics 2009, Defra

1.6 Imports and exports of horticultural produce

Figure 1.12 Value of Vegetables (£m)¹¹

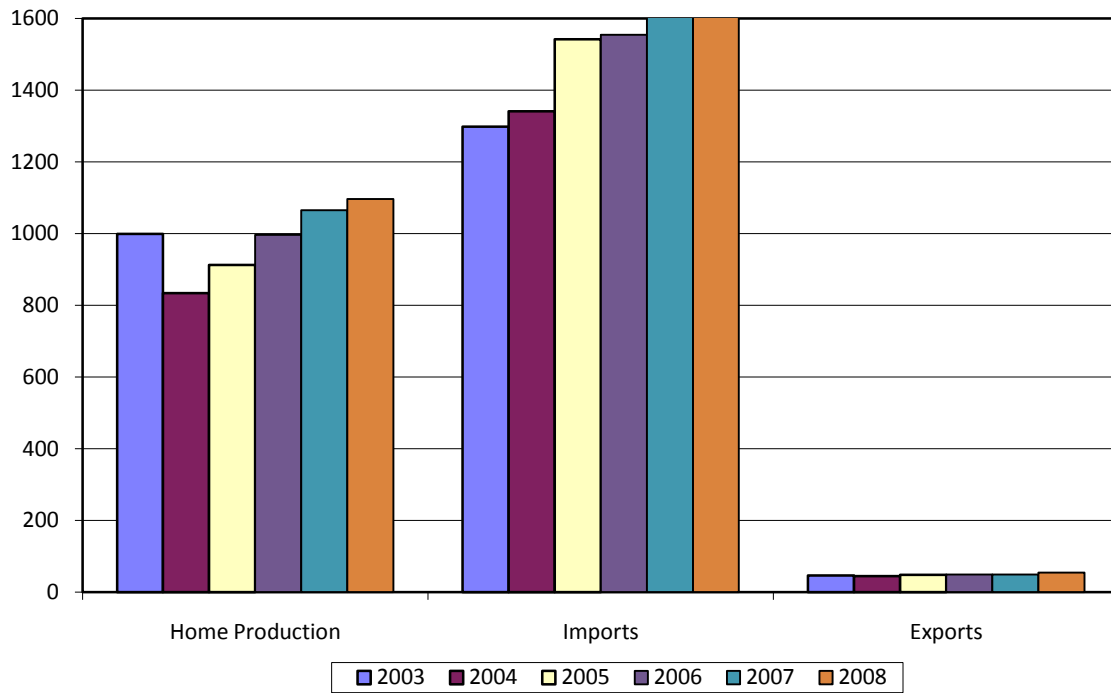
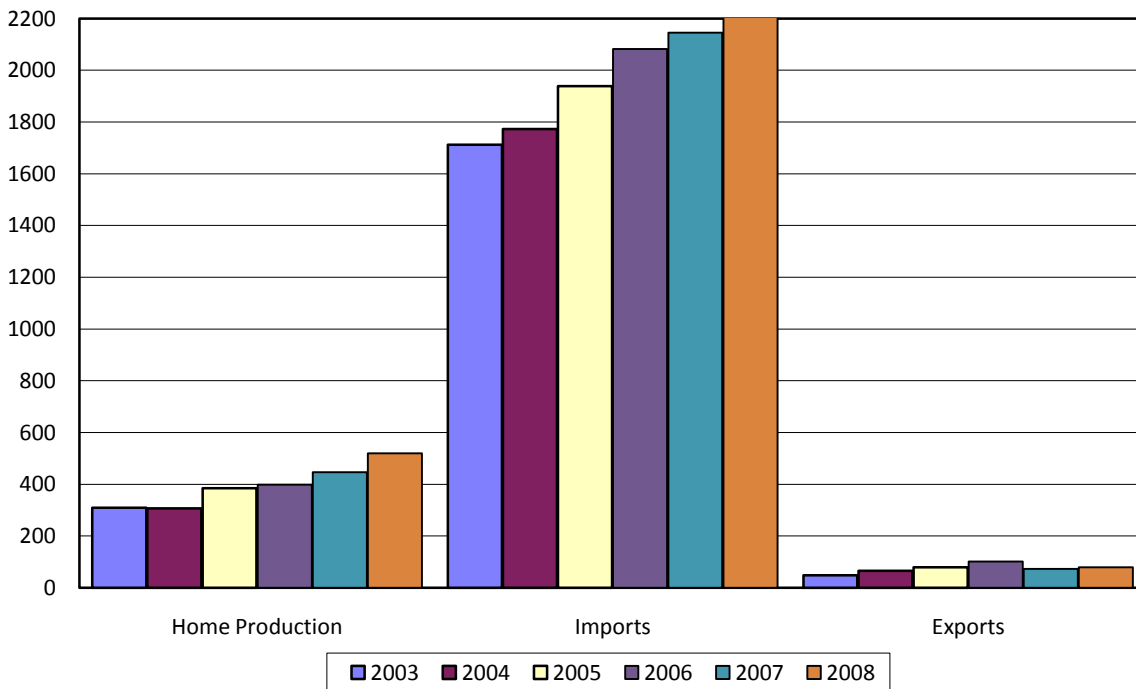


Figure 1.13 Value of fruit (£m)¹¹



¹¹ The data used to produce Figures 1.12 to 1.13 has also been compiled from the 2009 edition of *Basic Horticultural Statistics in the UK* (DEFRA) and relates to 2008.

The vegetable imports shown in Figure 1.12 relate to fresh produce only, which includes produce from the Channel Islands, with tomatoes accounting for 21% of fresh vegetable imports being the most important. Fruit imports include some dried fruit as data on fresh produce cannot be obtained separately. Although the proportion of fruit imports appears very high, approximately two thirds cannot be grown in this country. Exports of vegetables relate exclusively to fresh produce.

1.7 Price Indices in the UK

Table 1.1 Index of producer prices (Index: 2000=100)¹²

	2005	2006	2007	2008	2009
Dessert apples	100.0	105.7	121.5	130.9	130.9
Cherries	100.0	117.5	132.2	175.9	152.6
Fresh Fruit	100.0	103.8	105.3	125.6	123.0
Lettuce	100.0	109.4	107.1	119.1	108.1
Onions	100.0	129.3	165.4	131.2	132.5
Cabbage	100.0	103.8	139.6	124.6	124.5
Fresh vegetables	100.0	108.2	122.5	118.0	114.7
Flowers & plants	100.0	103.4	110.1	115.1	115.7

Table 1.2 Index of purchase prices (index 2000=100)¹³

	2005	2006	2007	2008	2009
Current Inputs					
Seeds	100.0	90.5	100.3	110.4	109.4
Fertilisers & soil improvers	100.0	105.4	119.8	270.3	228.5
Plant protection	100.0	101.8	103.7	105.8	105.2
Fuel for heating	100.0	116.5	127.9	173.1	139.0
Hired labour	100.0	98.7	97.6	97.8	97.5
Capital inputs					
Machinery & other equipment	100.0	104.5	110.3	117.6	121.9
Buildings	100.0	105.9	113.0	120.3	120.5
Finance inputs					
Bank rate	100.0	104.3	118.5	100.6	13.8

The index of producer prices shows a variable pattern over the last five years, with sharp increases for all prices, except for lettuce between 2006 and 2007. This trend continued into 2008 for fruit, whereas prices for most fresh vegetables declined between 2008 and 2009.

¹² Source: Agricultural Price Indices, UK Defra

¹³ Source: Agricultural Price Indices, UK Defra

The index of purchase prices show almost all input costs increased significantly between 2007 and 2008. Of particular significance to the industry was the index for fertilisers and soil improvers up 170% from 2005 to 2008, before falling back to 228% of the 2005 figure in 2009. Fuel for heating also dropped back in 2009 to 139% from a high of 173% in 2008. During the period 2008 to 2009 the Bank of England base rate decreased to a historic low of 0.5% representing just 13.8% of the 2005 figure.

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 - 25% 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 2008 June survey there are 9,046 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 2008 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 2008

	England population 2008 survey (business) ¹⁴	FBS sample 2008 (businesses)	FBS sample as a % of population
Specialist Glass	943	91	9.7%
Specialist Fruit	858	40	4.7%
Specialist HNS	1,669	41	2.5%
Other Horticulture	1,100	33	3.0%
All Horticulture	4,570	205	4.5%

The size of the total sample for the 2007 cropping year was 213 businesses and for the 2008 cropping year it was 205 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' results 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 2007/08 and 2008/09 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>

¹⁴ Businesses with over 0.5 standard labour requirements (SLR)

2.4 Financial results for 2007/08 and 2008/09

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. It should be noted a small change has been made this year to the way the 'per hectare' results are shown in the report with all results now based on the productive cropping area of the holding. Previously, the specialist glass groups' performance was based on the productive glass area, while for the remaining horticultural groups the total productive area of the holding was used.

Average results are shown for the 2007 and 2008 cropping year, together with premium results for the 2008 cropping year, where the sample size is large enough to permit their publication. The premium results are the top third of businesses as measured by Farm Business Income (FBI) per hectare. The 'per hectare' results are based on the productive cropping area of the holding.

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 FBI of Horticultural businesses in 2008 fell by 43%, from 2007 in current price terms, to £29,305 (Table 2.2). These businesses receive little in the way of direct income payments from the CAP support regime, having been ineligible for single payment scheme (SPS) payments relating to historic claims. Therefore, not surprisingly the amount of (SPS) received was just £2,381 per business, compared with an average gross output of £394,352 per business based on the whole sample. The average gross output per business increased by 3.3% across the horticultural sector; total variable costs increased by 18.3%, and fixed costs remained relatively constant with just a 0.4% increase on the previous year.

Figure 2.1 Farm Business Income trend for Horticultural Businesses in the FBS in England¹⁵

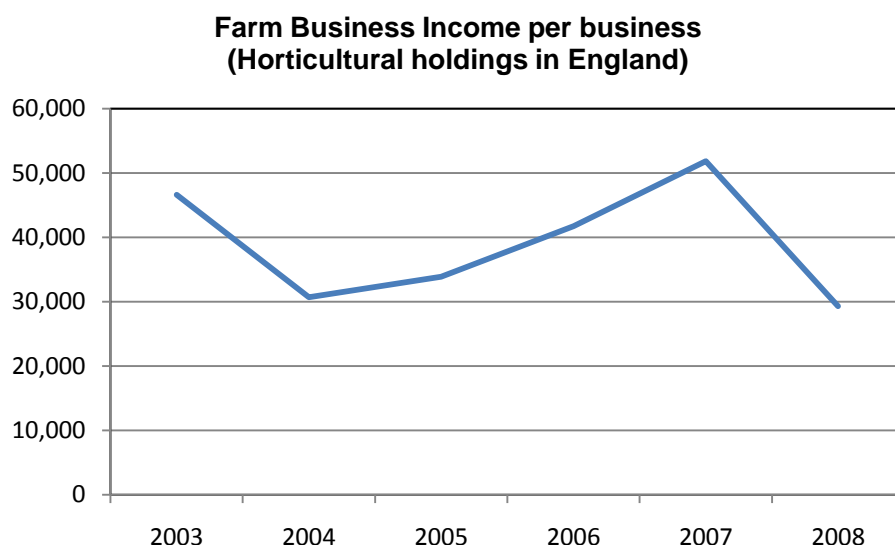


Figure 2.1 shows the trend in Farm Business Income for the last six years. The graph shows the fall in Farm Business Income between the 2007 and 2008 cropping years, following four consecutive years of increased profitability within the industry. For the 2008 harvest year the four main classification groups all experienced a decline in profitability, with the fruit sector and the 'other horticulture' group hardest hit compared with the previous year.

¹⁵ Source: www.farmbusinesssurvey.co.uk

Specialist Glass

The Specialist Glass group includes heated and cold glass and polytunnels, comprising several large scale soft fruit producers who use polytunnels for production. Table 2.3 shows that the average Farm Business Income (FBI) fell in 2008/09 by 23.1% from 2007/08 to £31,097 per business. Although the total output increased by 6.6%, total variable costs rose by 18.1%, resulting in the gross margin decreasing by just 0.9% to £211,047, whilst fixed costs went up by 3.5% to £202,276. However, there was a marked difference in the financial performance of the ornamental and edible sectors with the latter showing a deeper decline in profitability.

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 FBI per business fall by 33.7% to £30,593 for the 2008 cropping year. In this group total gross margin fell by 11.1%, and fixed costs decreased by 5.8%.

Whilst the average price and yields of some protected vegetables increased in the 2008 cropping year, output per hectare fell by 18.1%. Area of glasshouse (including polytunnels) fell by 4.6% in 2008/09, to 1.94 ha while the productive cropping area increased by 13.0% to 5.22 hectares. On average the proportion of output attributable to different crops remained constant in 2008/09, with glasshouse tomatoes contributing a third of output, and protected soft fruit contributing 27.7% of crop output. In 2008/09 86.2% of total crop output was derived from glasshouse production.

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 the fall in FBI at 12.5%, to £31,598 per business for the 2008 cropping year was less marked than for the mainly edible sector. The definition of FBI changed in 2008/09 with the inclusion of Directors remuneration as an additional expense without which little difference would have been observed between the two years.

The total gross margin for this group of businesses rose by 8.9% while fixed costs went up by 12.3%. Like the year before, there was a wide range in the business performance of growers in 2008/09 with some showing significant increases in FBI and others experienced very disappointing results. Poor weather had a detrimental affect on the spring bedding plant season, although there was an improvement in the autumn. A very high proportion [85.6%] of crop output is derived from glasshouse production in this group.

There are a number of businesses within the specialist glasshouse group with some outdoor crop production. To facilitate a better understanding of the results the group has been sub-divided according to the intensity of glasshouse production showing 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 the edible sector within the intensive glasshouse group (90% or more of crop output from glasshouse production) saw FBI fall from £47,976 per business in 2007/08 to £28,130 per business in 2008/09. Comparing the results on a 'per hectare' basis (cropping area), Table 2.10 shows FBI fell by 37.9%, to £26,436 per hectare for 2008/09 Fixed costs fell by 2.2% between the two years, while the variable costs increased by 15.3%.

Among the variable costs expenditure on glasshouse heating fuel increased by 36.6% between the two years, which is in line with the purchase price index published by Defra noting heating fuel increased by 36%. Whilst the cost of heating fuel, which peaked in June 2008, began to fall towards the end of 2008, with businesses in this group ending their financial year in December there was little benefit to be gained by them. Other significant increases were for fertilisers and composts which rose by 18.6%.

Table 2.11 shows the results of those businesses growing mainly ornamental crops (90% or more of crop output from glasshouse production). The reduction in FBI for these businesses was small compared with their food producing counterparts [-12.9% to £23,398 per business]. Again, definitional change to Directors remuneration was the main reason for year on year change to FBI.

The cropping area per business increased slightly [2.1%] to 0.99 hectares. Comparing the results on a 'per hectare' basis (cropping area), Table 2.11 shows that FBI fell by 15.4%, to £28,549 per hectare for 2008/09. Although total output per hectare increased by 15.4%, there were increases in variable and fixed costs, in particular fertilisers & composts (+97.2%), heating fuel (+47%), and fuel & electricity (+18.7%).

Specialist Fruit

Table 2.12 shows the average Farm Business Income (FBI) per business fell from £39,572 in 2007/08 to £16,030 in 2008/09. There were reductions in 2008/09 to total output [-20.5%] to £177,469 per business, variable costs [-15.9%] to £57,616 per business and fixed costs [-9.2%] to £119,791 per business. This specialist fruit group is comprised of 63.4% of crop output from top fruit and 35.7% from soft fruit production. Additionally, 15% of these businesses have more than half of their total output derived from other 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. The average FBI fell by 54.1% in 2008/09 to £13,684, although this was quite variable across the country. The average cropping area per holding fell in 2008/09 to 17 hectares [-12.4%]. On a 'per hectare' basis, both output and variable costs decreased by 14.5%. Average prices for apples improved in 2008/09 although total value of sales declined. Of particular note was the very poor plum crop following inclement weather in the spring which adversely affected plum blossom.

Specialist Hardy Nursery Stock

The Hardy Nursery Stock (HNS) sector [Table 2.14] also showed a fall in Farm Business Income (FBI), decreasing from £68,589 in 2007/08 to £41,195 in 2008/09.

Total output remained almost unchanged [-0.9%] between the two years, while variable costs increased by 9.7% and fixed costs fell by 3.5%. This group of businesses includes growers of HNS under protection, those growing HNS outdoors, and a combination of the two production systems. The bad summer weather affected nursery stock sales to garden centres and coupled with higher production costs of young plants, fertilisers, composts and packing materials, led to a lower gross margin.

Table 2.15 refers to a group of businesses which primarily grow HNS under glass (25% 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 (FBI) for the protected nursery stock production fell by 44.7% to £51,248 in 2008/09, which was due to a fall in output and an increase in variable costs. Total output for this group declined by 7.5%, with a 15.2% reduction in the gross margin [Table 2.15]. For growers of predominantly outdoor HNS [Table 2.16], FBI fell from £63,122 in 2007/08 to £35,307 in 2008/09.

Other Horticulture

Table 2.17 shows the results of the 'Other Horticulture' group. In 2008/09 output was derived from 11.9% glasshouse crops, 69.2% outdoor vegetable crops, 5.6% flowers and nursery stock with the remainder from the production of fruit and other farm crops. Farm Business Income (FBI) declined to £20,083 [-56.2%] per business, mainly due to an increase in fixed costs.

Table 2.18 shows the financial results for a group of outdoor vegetable growers (50% or more crop output produced from outdoor vegetables). The cropping area of this group increased from 66.6 hectares to 93.4 hectares per business. On a 'per hectare' basis the gross margin per hectare increased by 15.3% and fixed costs by 27.4%. Some of this change is due to the composition of farms in the sample between the two years.

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 the financial results. For horticultural businesses as a whole, the percentage equity in the business decreased very slightly [-0.9%] during the year, to 77.2%. The value of Fixed Assets increased by 6.8% to £479,292, and total External Liabilities increased [+10.8%], to £145,715.

The percentage equity for Specialist Glasshouse businesses remained virtually unchanged between the beginning and end of the year at 75.8%. Specialist Hardy Nursery Stock businesses experienced a 2.6% increase in equity, while Specialist Fruit and 'Other Horticulture' businesses both had a decrease in equity at -2.4% and -3.7% respectively. Specialist Fruit businesses have the highest percentage equity of the four horticultural businesses at 86.2% at the end of 2008.

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 £917,942 per business representing 88.2% 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 93% and 91% respectively, while pig and poultry farms have the lowest percentage equity at 53.2% and 65.1% respectively, with horticulture midway at 77.6%.

Table 2.2 All horticultural businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	213	205	213	205	213	205
Productive cropping area (ha)	17.81	16.50	17.81	16.50		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	381,604	394,352	21,427	23,896	100	100
Variable costs						
Seed & young plants	69,626	76,889	3,909	4,659	18.2	19.5
Fertilisers & composts	9,604	13,144	539	796	2.5	3.3
Crop protection	7,052	8,025	396	486	1.8	2.0
Market charges	19,439	22,739	1,092	1,378	5.1	5.8
Packing materials	17,816	27,463	1,000	1,664	4.7	7.0
Horticultural sundries	13,517	13,365	759	810	3.5	3.4
Glasshouse fuel	6,058	7,392	340	448	1.6	1.9
Other variable costs	702	1,146	39	69	0.2	0.3
Total variable costs	143,814	170,163	8,075	10,311	37.7	43.1
Total gross margin	237,790	224,189	13,352	13,585	62.3	56.9
Fixed costs						
Labour:						
Regular paid	77,257	81,220	4,338	4,921	20.2	20.6
Regular unpaid	21,014	22,446	1,180	1,360	5.5	5.7
Casual labour	27,857	22,603	1,564	1,370	7.3	5.7
Power & machinery costs:						
Contract & hire	5,724	4,909	321	297	1.5	1.2
Fuel & electricity	9,373	11,506	526	697	2.5	2.9
Repairs	9,778	8,399	549	509	2.6	2.1
Machinery depreciation	11,813	12,444	663	754	3.1	3.2
Glasshouse depreciation	3,519	3,150	198	191	0.9	0.8
Rent (incl. imputed)	13,750	13,548	772	821	3.6	3.4
Other costs:						
Occupier's repairs	5,542	5,414	311	328	1.5	1.4
Permanent crop depreciation	624	794	35	48	0.2	0.2
Water	1,968	1,927	110	117	0.5	0.5
Sundries	16,679	17,445	937	1,057	4.4	4.4
Total fixed costs	204,897	205,804	11,505	12,471	53.7	52.2
Management & investment income	32,893	18,385	1,847	1,114	8.6	4.7
Minus: management salaries	1,307	580	73	35	0.3	0.1
Plus: farmer & spouse labour	17,823	18,634	1,001	1,129	4.7	4.7
Net farm income	49,409	36,439	2,774	2,208	12.9	9.2
Farm business income	51,821	29,305	2,910	1,776	13.6	7.4

Crop output per cent of total crop output (%)

	Average 2007/08	Average 2008/09
Glasshouse crops		
Flowers & nursery stock	26.8	24.1
Tomatoes	3.5	3.5
Lettuce	0.5	0.5
Soft fruit	2.9	2.8
Other glasshouse crops	3.6	2.8
Outdoor crops		
Flowers and nursery stock	28.6	32.0
Vegetables	20.8	22.3
Other outdoor crops	2.2	2.8
Top fruit		
Dessert apples and pears	4.6	3.4
Culinary apples	0.9	0.8
Plums	0.5	0.1
Other top	1.5	1.3
Soft fruit		
Strawberries	1.3	1.2
Raspberries	1.3	1.0
Blackcurrants	0.2	0.1
Other soft fruit	0.9	1.3
Total	100.0	100.0

Farm business income (FBI)

(distribution by number of businesses)

	Average 2007/08	Average 2008/09
Over £100,000	43	28
£50,000 to <£100,000	35	26
£25,000 to <£50,000	37	41
£12,500 to <£25,000	32	32
0 to <£12,500	38	38
-£12,500 to 0	10	11
-£25,000 to <-£12,500	5	7
-£50,000 to <-£25,000	6	8
Below -£50,000	7	14
Total	213	205

Distribution of tenant's type capital (%)

	Average 2007/08	Average 2008/09
Crops and tillages	20	20
Stores	6	7
Glasshouses	8	7
Equipment	27	26
Livestock	2	3
Other	36	37
Total	100	100
Tenant's capital (£)	265,189	260,473

Table 2.3 All specialist glass businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	94	91	94	91	94	91
Productive cropping area (ha)	3.07	3.45	3.07	3.45		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	351,593	374,859	114,602	108,558	100	100
Variable costs						
Seed & young plants	51,086	57,574	16,652	16,673	14.5	15.4
Fertilisers & composts	9,982	15,357	3,254	4,447	2.8	4.1
Crop protection	3,104	3,639	1,012	1,054	0.9	1.0
Market charges	23,045	22,734	7,512	6,584	6.6	6.1
Packing materials	18,010	23,809	5,870	6,895	5.1	6.4
Horticultural sundries	11,752	11,130	3,831	3,223	3.3	3.0
Glasshouse fuel	21,529	29,544	7,017	8,556	6.1	7.9
Other variable costs	200	24	65	7	0.1	0.0
Total variable costs	138,708	163,812	45,212	47,439	39.5	43.7
Total gross margin	212,885	211,047	69,390	61,119	60.5	56.3
Fixed costs						
Labour:						
Regular paid	83,692	81,920	27,280	23,724	23.8	21.9
Regular unpaid	25,447	28,200	8,294	8,167	7.2	7.5
Casual labour	16,704	22,130	5,445	6,409	4.8	5.9
Power & machinery costs:						
Contract & hire	4,073	1,818	1,327	526	1.2	0.5
Fuel & electricity	8,779	9,983	2,862	2,891	2.5	2.7
Repairs	7,511	7,654	2,448	2,217	2.1	2.0
Machinery depreciation	8,812	9,372	2,872	2,714	2.5	2.5
Glasshouse depreciation	7,663	7,255	2,498	2,101	2.2	1.9
Rent (incl. imputed)	7,194	7,806	2,345	2,261	2.0	2.1
Other costs:						
Occupier's repairs	5,845	6,208	1,905	1,798	1.7	1.7
Permanent crop depreciation	-69	-189	-22	-55	0.0	-0.1
Water	1,923	1,844	627	534	0.5	0.5
Sundries	17,771	18,276	5,793	5,293	5.1	4.9
Total fixed costs	195,346	202,276	63,673	58,579	55.6	54.0
Management & investment income	17,539	8,771	5,717	2,540	5.0	2.3
Minus: management salaries	872	1,008	284	292	0.2	0.3
Plus: farmer & spouse labour	22,374	24,489	7,293	7,092	6.4	6.5
Net farm income	39,042	32,252	12,726	9,340	11.1	8.6
Farm business income	40,472	31,097	13,192	9,006	11.5	8.3

Premium businesses	Per	Per £100	<u>Crop output per cent of total crop output (%)</u>		
	hectare	of gross	Average	Average	Premium
	2008/09	output	2007/08	2008/09	2008/09
		2008/09			
Number of businesses	30	30			
Productive cropping area (ha)	0.57				
	£ per hectare	average %			
Gross output	566,092	100.0			
Variable costs					
Seed & young plants	122,907	21.7	Glasshouse crops		
Fertilisers & composts	17,512	3.1	Flowers & nursery stock	43.1	41.1
Crop protection	2,325	0.4	Tomatoes	16.4	16.8
Market charges	20,220	3.6	Lettuce	2.5	2.3
Packing materials	24,170	4.3	Soft fruit	13.7	13.8
Horticultural sundries	15,624	2.8	Other glasshouse crops	13.2	12.0
Glasshouse fuel	37,363	6.6			
Other variable costs	0	0.0	Outdoor crops		
			Flowers & nursery stock	5.4	7.2
			Vegetables	1.4	1.0
			Fruit	4.1	5.8
			Other outdoor crops	0.1	0.1
Total variable costs	240,121	42.4	Total	100.0	100.0
Total gross margin	325,971	57.6			100.0
Fixed costs			<u>Distribution of tenant's type capital (%)</u>		
Labour:			Average	Average	Premium
Regular paid	109,713	19.4	2007/08	2008/09	2008/09
Regular unpaid	52,595	9.3			
Casual labour	21,533	3.8	Crops & tillages	6	5
Power & machinery costs:			Stores	7	9
Contract & hire	1,979	0.3	Glasshouses	24	22
Fuel & electricity	15,334	2.7	Equipment	26	27
Repairs	9,533	1.7	Livestock	0	0
Machinery depreciation	10,693	1.9	Other	37	37
Glasshouse depreciation	7,643	1.4			
Rent (incl. imputed)	11,710	2.1	Total	100	100
Other costs:			Tenant's capital (£)	231,864	233,991
Occupier's repairs	7,856	1.4			165,545
Permanent crop depreciation	0	0.0	<u>Farm business income (FBI)</u>		
Water	2,438	0.4	(distribution by number of businesses)		
Sundries	27,996	4.9	Average	Average	
			2007/08	2008/09	
Total fixed costs	279,023	49.3			
Management & investment income	46,948	8.3	Over £100,000	18	16
Minus: management salaries	2,541	0.4	£50,000 to <£100,000	14	7
Plus: farmer & spouse labour	46,445	8.2	£25,000 to <£50,000	13	18
			£12,500 to <£25,000	20	16
Net farm income	90,852	16.0	0 to <£12,500	20	20
Farm business income	91,861	16.2	-£12,500 to 0	2	4
			-£25,000 to <-£12,500	3	0
			-£50,000 to <-£25,000	3	3
			Below -£50,000	1	7
			Total	94	91

Table 2.4 Specialist glass businesses, mainly edible crops*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	34	36	34	36	34	36
Productive cropping area (ha)	4.62	5.22	4.62	5.22		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	394,577	365,080	85,388	69,873	100	100
Variable costs						
Seed & young plants	26,053	24,953	5,638	4,776	6.6	6.8
Fertilisers & composts	9,580	11,006	2,073	2,106	2.4	3.0
Crop protection	4,674	5,181	1,012	992	1.2	1.4
Market charges	41,888	32,834	9,065	6,284	10.6	9.0
Packing materials	22,785	23,242	4,931	4,448	5.8	6.4
Horticultural sundries	17,532	14,051	3,794	2,689	4.4	3.8
Glasshouse fuel	38,153	46,000	8,256	8,804	9.7	12.6
Other variable costs	110	48	24	9	0.0	0.0
Total variable costs	160,773	157,315	34,792	30,109	40.7	43.1
Total gross margin	233,803	207,765	50,596	39,764	59.3	56.9
Fixed costs						
Labour:						
Regular paid	85,870	75,438	18,583	14,438	21.8	20.7
Regular unpaid	25,100	25,494	5,432	4,879	6.4	7.0
Casual labour	26,677	31,620	5,773	6,052	6.8	8.7
Power & machinery costs:						
Contract & hire	2,634	2,236	570	428	0.7	0.6
Fuel & electricity	9,491	9,325	2,054	1,785	2.4	2.6
Repairs	10,470	8,449	2,266	1,617	2.7	2.3
Machinery depreciation	8,661	8,646	1,874	1,655	2.2	2.4
Glasshouse depreciation	7,303	6,198	1,580	1,186	1.9	1.7
Rent (incl. imputed)	9,973	9,175	2,158	1,756	2.5	2.5
Other costs:						
Occupier's repairs	8,522	7,701	1,844	1,474	2.2	2.1
Permanent crop depreciation	-162	-383	-35	-73	0.0	-0.1
Water	2,208	1,876	478	359	0.6	0.5
Sundries	14,755	13,453	3,193	2,575	3.7	3.7
Total fixed costs	211,500	199,228	45,770	38,131	53.6	54.6
Management & investment income	22,303	8,536	4,826	1,634	5.7	2.3
Minus: management salaries	495	802	107	153	0.1	0.2
Plus: farmer & spouse labour	22,080	22,600	4,778	4,325	5.6	6.2
Net farm income	43,888	30,335	9,498	5,806	11.1	8.3
Farm business income	46,141	30,593	9,985	5,855	11.7	8.4

Crop output per cent of total crop output (%)

	Average 2007/08	Average 2008/09
Glasshouse crops		
Flowers & nursery stock	0.3	0.2
Tomatoes	33.2	33.7
Lettuce	5.0	4.6
Soft fruit	27.8	27.7
Other glasshouse crops	22.5	20.0
Outdoor crops		
Flowers & nursery stock	0.0	0.0
Vegetables	2.9	2.1
Fruit	8.4	11.6
Other outdoor crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2007/08	Average 2008/09
Crops & tillages	2	2
Stores	5	5
Glasshouses	27	23
Equipment	25	26
Livestock	0	0
Other	42	43
Total	100	100

Tenant's capital (£) **221,474** **213,595**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2007/08	Average 2008/09
Over £100,000	9	6
£50,000 to <£100,000	7	5
£25,000 to <£50,000	4	5
£12,500 to <£25,000	8	6
0 to <£12,500	5	7
-£12,500 to 0	0	0
-£25,000 to <-£12,500	1	0
-£50,000 to <-£25,000	0	2
Below -£50,000	0	5
Total	34	36

* 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>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	60	55	60	55	60	55
Productive cropping area (ha)	1.87	1.70	1.87	1.70		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	318,420	384,559	170,335	226,778	100	100
Variable costs						
Seed & young plants	70,406	89,928	37,663	53,031	22.1	23.4
Fertilisers & composts	10,293	19,672	5,506	11,601	3.2	5.1
Crop protection	1,892	2,110	1,012	1,244	0.6	0.5
Market charges	8,503	12,718	4,548	7,500	2.7	3.3
Packing materials	14,324	24,372	7,663	14,373	4.5	6.3
Horticultural sundries	7,292	8,233	3,901	4,855	2.3	2.1
Glasshouse fuel	8,700	13,222	4,654	7,797	2.7	3.4
Other variable costs	270	0	145	0	0.1	0.0
Total variable costs	121,680	170,255	65,091	100,401	38.2	44.3
Total gross margin	196,741	214,303	105,244	126,377	61.8	55.7
Fixed costs						
Labour:						
Regular paid	82,012	88,349	43,871	52,100	25.8	23.0
Regular unpaid	25,714	30,883	13,756	18,212	8.1	8.0
Casual labour	9,006	12,717	4,818	7,500	2.8	3.3
Power & machinery costs:						
Contract & hire	5,183	1,404	2,773	828	1.6	0.4
Fuel & electricity	8,230	10,636	4,403	6,272	2.6	2.8
Repairs	5,226	6,865	2,796	4,048	1.6	1.8
Machinery depreciation	8,928	10,091	4,776	5,951	2.8	2.6
Glasshouse depreciation	7,942	8,303	4,248	4,896	2.5	2.2
Rent (incl. imputed)	5,050	6,448	2,701	3,803	1.6	1.7
Other costs:						
Occupier's repairs	3,779	4,727	2,022	2,788	1.2	1.2
Permanent crop depreciation	4	3	2	2	0.0	0.0
Water	1,703	1,812	911	1,068	0.5	0.5
Sundries	20,099	23,060	10,752	13,599	6.3	6.0
Total fixed costs	182,878	205,299	97,828	121,067	57.4	53.4
Management & investment income	13,863	9,004	7,416	5,310	4.4	2.3
Minus: management salaries	1,162	1,213	622	715	0.4	0.3
Plus: farmer & spouse labour	22,601	26,363	12,090	15,546	7.1	6.9
Net farm income	35,301	34,154	18,884	20,141	11.1	8.9
Farm business income	36,096	31,598	19,309	18,634	11.3	8.2

Premium businesses	Per	Per £100	<u>Crop output per cent of total crop output (%)</u>		
	hectare	of gross output	Average	Average	Premium
	2008/09	2008/09	2007/08	2008/09	2008/09
Number of businesses	18	18			
Productive cropping area (ha)	0.53				
	£ per hectare	average %			
Gross output	751,399	100.0			
Variable costs					
Seed & young plants	223,229	29.7			
Fertilisers & composts	22,087	2.9			
Crop protection	2,378	0.3			
Market charges	25,866	3.4			
Packing materials	40,605	5.4			
Horticultural sundries	23,001	3.1			
Glasshouse fuel	16,519	2.2			
Other variable costs	0	0.0			
Total variable costs	353,683	47.1			
Total gross margin	397,716	52.9			
Fixed costs					
Labour:					
Regular paid	145,033	19.3			
Regular unpaid	66,104	8.8			
Casual labour	30,645	4.1			
Power & machinery costs:					
Contract & hire	2,343	0.3			
Fuel & electricity	21,777	2.9			
Repairs	10,776	1.4			
Machinery depreciation	14,937	2.0			
Glasshouse depreciation	8,855	1.2			
Rent (incl. imputed)	6,785	0.9			
Other costs:					
Occupier's repairs	8,202	1.1			
Permanent crop depreciation	0	0.0			
Water	2,544	0.3			
Sundries	41,339	5.5			
Total fixed costs	359,339	47.8			
Management & investment income	38,377	5.1			
Minus: management salaries	4,219	0.6			
Plus: farmer & spouse labour	62,049	8.3			
Net farm income	96,207	12.8			
Farm business income	94,724	12.6			
			Total	60	55

	Average	Average	Premium
	2007/08	2008/09	2008/09
Glasshouse crops			
Flowers & nursery stock	84.5	81.2	78.4
Tomatoes	0.2	0.3	0.5
Lettuce	0.0	0.0	0.0
Soft fruit	0.0	0.0	0.0
Other glasshouse crops	4.3	4.1	0.4
Outdoor crops			
Flowers & nursery stock	10.6	14.2	20.7
Vegetables	0.0	0.0	0.0
Fruit	0.0	0.1	0.0
Other outdoor crops	0.3	0.2	0.0
Total	100.0	100.0	100.0

	Average	Average	Premium
	2007/08	2008/09	2008/09
Distribution of tenant's type capital (%)			
Crops & tillages	9	8	8
Stores	9	12	12
Glasshouses	21	21	12
Equipment	27	27	31
Livestock	0	0	0
Other	33	32	37
Total	100	100	100
Tenant's capital (£)	239,882	254,219	200,809

Farm business income (FBI)		Average	Average
(distribution by number of businesses)		2007/08	2008/09
Over £100,000		9	10
£50,000 to <£100,000		7	2
£25,000 to <£50,000		9	13
£12,500 to <£25,000		12	10
0 to <£12,500		15	13
-£12,500 to 0		2	4
-£25,000 to <-£12,500		2	0
-£50,000 to <-£25,000		3	1
Below -£50,000		1	2
Total		60	55

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>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	79	76	79	76	79	76
Productive cropping area (ha)	1.21	1.15	1.21	1.15		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	360,313	374,867	297,543	325,387	100	100
Variable costs						
Seed & young plants	57,012	63,623	47,080	55,225	15.8	17.0
Fertilisers & composts	10,769	16,390	8,893	14,227	3.0	4.4
Crop protection	2,472	2,416	2,042	2,097	0.7	0.6
Market charges	18,045	20,002	14,901	17,362	5.0	5.3
Packing materials	15,823	19,868	13,066	17,246	4.4	5.3
Horticultural sundries	10,552	10,995	8,714	9,544	2.9	2.9
Glasshouse fuel	26,654	36,340	22,011	31,543	7.4	9.7
Other variable costs	16	30	13	26	0.0	0.0
Total variable costs	141,343	169,666	116,720	147,271	39.2	45.3
Total gross margin	218,970	205,201	180,823	178,116	60.8	54.7
Fixed costs						
Labour:						
Regular paid	89,707	86,738	74,079	75,289	24.9	23.1
Regular unpaid	26,378	28,640	21,783	24,860	7.3	7.6
Casual labour	10,984	12,739	9,070	11,057	3.0	3.4
Power & machinery costs:						
Contract & hire	3,866	1,060	3,192	920	1.1	0.3
Fuel & electricity	9,309	10,068	7,687	8,739	2.6	2.7
Repairs	7,792	7,753	6,435	6,729	2.2	2.1
Machinery depreciation	9,321	9,533	7,697	8,274	2.6	2.5
Glasshouse depreciation	8,758	8,246	7,233	7,158	2.4	2.2
Rent (incl. imputed)	6,495	6,566	5,364	5,700	1.8	1.8
Other costs:						
Occupier's repairs	5,702	5,827	4,708	5,058	1.6	1.6
Permanent crop depreciation	5	-39	4	-34	0.0	0.0
Water	2,024	1,908	1,672	1,656	0.6	0.5
Sundries	19,719	19,467	16,284	16,898	5.5	5.2
Total fixed costs	200,060	198,506	165,208	172,304	55.5	53.0
Management & investment income	18,909	6,695	15,615	5,811	5.2	1.8
Minus: management salaries	1,019	959	841	833	0.3	0.3
Plus: farmer & spouse labour	23,007	25,267	18,999	21,932	6.4	6.7
Net farm income	40,897	31,003	33,773	26,910	11.4	8.3
Farm business income	42,361	30,042	34,982	26,077	11.8	8.0

Premium businesses	<i>Per</i>	<i>Per £100</i>	Crop output per cent of total crop output (%)		
	<i>hectare</i>	<i>of gross output</i>	Average	Average	Premium
	2008/09	2008/09	2007/08	2008/09	2008/09
Number of businesses	25	25			
Productive cropping area (ha)	0.62				
	£ per hectare	average %			
Gross output	591,328	100.0			
Variable costs					
Seed & young plants	132,086	22.3	Glasshouse crops		
Fertilisers & composts	17,834	3.0	Flowers & nursery stock	51.4	49.8
Crop protection	2,616	0.4	Tomatoes	20.0	21.0
Market charges	22,006	3.7	Lettuce	2.9	2.8
Packing materials	27,455	4.6	Soft fruit	4.6	3.7
Horticultural sundries	17,134	2.9	Other glasshouse crops	15.8	14.8
Glasshouse fuel	40,813	6.9			
Other variable costs	0	0.0	Outdoor crops		
			Flowers & nursery stock	5.1	7.4
Total variable costs	259,943	44.0	Vegetables	0.1	0.1
			Fruit	0.1	0.3
Total gross margin	331,385	56.0	Other outdoor crops	0.0	0.0
			Total	100.0	100.0
Fixed costs					
Labour:			Distribution of tenant's type capital (%)		
Regular paid	117,234	19.8		Average	Average
Regular unpaid	51,274	8.7		2007/08	2008/09
Casual labour	20,219	3.4	Crops & tillages	4	4
			Stores	8	8
Power & machinery costs:			Glasshouses	25	23
Contract & hire	2,030	0.3	Equipment	26	27
Fuel & electricity	16,231	2.7	Livestock	0	0
Repairs	10,456	1.8	Other	37	38
Machinery depreciation	11,278	1.9			
Glasshouse depreciation	8,065	1.4	Total	100	100
Rent (incl. imputed)	7,490	1.3	Tenant's capital (£)	253,302	244,225
Other costs:					
Occupier's repairs	6,937	1.2	Farm business income (FBI)		
Permanent crop depreciation	0	0.0	(distribution by number of businesses)		
Water	2,499	0.4		Average	Average
Sundries	28,424	4.8		2007/08	2008/09
			Over £100,000	16	14
Total fixed costs	282,140	47.7	£50,000 to <£100,000	12	6
			£25,000 to <£50,000	9	15
Management & investment income	49,245	8.3	£12,500 to <£25,000	16	13
			0 to <£12,500	18	17
Minus: management salaries	2,452	0.4	-£12,500 to 0	2	4
Plus: farmer & spouse labour	47,575	8.0	-£25,000 to <-£12,500	2	0
			-£50,000 to <-£25,000	3	2
Net farm income	94,368	16.0	Below -£50,000	1	5
			Total	79	76
Farm business income	96,002	16.2			

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>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	25	28	25	28	25	28
Productive cropping area (ha)	1.35	1.23	1.35	1.23		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	307,533	268,208	228,303	217,776	100	100
Variable costs						
Seed & young plants	15,998	14,801	11,876	12,018	5.2	5.5
Fertilisers & composts	8,899	9,036	6,606	7,337	2.9	3.4
Crop protection	2,616	2,243	1,942	1,821	0.9	0.8
Market charges	25,462	22,220	18,902	18,042	8.3	8.3
Packing materials	13,842	9,463	10,276	7,683	4.5	3.5
Horticultural sundries	9,231	8,725	6,853	7,084	3.0	3.3
Glasshouse fuel	45,516	53,302	33,790	43,279	14.8	19.9
Other variable costs	36	59	27	48	0.0	0.0
Total variable costs	121,601	119,850	90,273	97,314	39.5	44.7
Total gross margin	185,932	148,358	138,030	120,461	60.5	55.3
Fixed costs						
Labour:						
Regular paid	71,248	61,069	52,893	49,586	23.2	22.8
Regular unpaid	24,540	24,837	18,217	20,167	8.0	9.3
Casual labour	9,329	9,433	6,926	7,659	3.0	3.5
Power & machinery costs:						
Contract & hire	496	574	368	466	0.2	0.2
Fuel & electricity	8,107	7,278	6,019	5,910	2.6	2.7
Repairs	10,436	7,474	7,747	6,068	3.4	2.8
Machinery depreciation	6,565	5,691	4,873	4,621	2.1	2.1
Glasshouse depreciation	7,540	6,135	5,597	4,981	2.5	2.3
Rent (incl. imputed)	8,558	7,542	6,353	6,124	2.8	2.8
Other costs:						
Occupier's repairs	6,861	5,595	5,094	4,543	2.2	2.1
Permanent crop depreciation	5	-80	4	-65	0.0	0.0
Water	1,995	1,632	1,481	1,326	0.6	0.6
Sundries	12,351	10,389	9,169	8,436	4.0	3.9
Total fixed costs	168,030	147,570	124,741	119,822	54.6	55.0
Management & investment income	17,901	788	13,289	640	5.8	0.3
Minus: management salaries	75	78	55	63	0.0	0.0
Plus: farmer & spouse labour	21,845	21,996	16,217	17,860	7.1	8.2
Net farm income	39,672	22,706	29,451	18,436	12.9	8.5
Farm business income	42,225	24,166	31,347	19,622	13.7	9.0

Crop output per cent of total crop output (%)

	Average 2007/08	Average 2008/09
Glasshouse crops		
Flowers & nursery stock	0.0	0.0
Tomatoes	53.4	56.4
Lettuce	7.9	7.6
Soft fruit	12.3	10.0
Other glasshouse crops	25.9	24.8
Outdoor crops		
Flowers & nursery stock	0.0	0.0
Vegetables	0.2	0.4
Fruit	0.2	0.7
Other outdoor crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2007/08	Average 2008/09
Crops & tillages	1	1
Stores	5	5
Glasshouses	28	24
Equipment	22	23
Livestock	0	0
Other	45	48
Total	100	100
Tenant's capital (£)	192,302	166,399

Farm business income (FBI)

(distribution by number of businesses)

	Average 2007/08	Average 2008/09
Over £100,000	6	4
£50,000 to <£100,000	5	5
£25,000 to <£50,000	3	5
£12,500 to <£25,000	5	4
0 to <£12,500	5	5
-£12,500 to 0	0	0
-£25,000 to <-£12,500	1	0
-£50,000 to <-£25,000	0	2
Below -£50,000	0	3
Total	25	28

* 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>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	54	48	54	48	54	48
Productive cropping area (ha)	1.11	1.07	1.11	1.07		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	400,163	486,177	361,087	454,761	100	100
Variable costs						
Seed & young plants	87,979	114,574	79,388	107,171	22.0	23.6
Fertilisers & composts	12,182	24,065	10,992	22,510	3.0	4.9
Crop protection	2,364	2,597	2,133	2,429	0.6	0.5
Market charges	12,445	17,688	11,230	16,545	3.1	3.6
Packing materials	17,318	30,728	15,627	28,742	4.3	6.3
Horticultural sundries	11,549	13,365	10,421	12,502	2.9	2.7
Glasshouse fuel	12,413	18,638	11,201	17,434	3.1	3.8
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	156,250	221,655	140,992	207,331	39.0	45.6
Total gross margin	243,914	264,523	220,095	247,430	61.0	54.4
Fixed costs						
Labour:						
Regular paid	103,643	113,527	93,522	106,191	25.9	23.4
Regular unpaid	27,766	32,609	25,055	30,502	6.9	6.7
Casual labour	12,233	16,188	11,039	15,142	3.1	3.3
Power & machinery costs:						
Contract & hire	6,411	1,568	5,785	1,466	1.6	0.3
Fuel & electricity	10,216	12,979	9,219	12,140	2.6	2.7
Repairs	5,796	8,044	5,230	7,524	1.4	1.7
Machinery depreciation	11,401	13,542	10,288	12,667	2.8	2.8
Glasshouse depreciation	9,678	10,449	8,733	9,774	2.4	2.1
Rent (incl. imputed)	4,938	5,548	4,456	5,190	1.2	1.1
Other costs:						
Occupier's repairs	4,826	6,069	4,355	5,677	1.2	1.2
Permanent crop depreciation	5	4	4	4	0.0	0.0
Water	2,047	2,195	1,847	2,053	0.5	0.5
Sundries	25,282	28,941	22,813	27,071	6.3	6.0
Total fixed costs	224,243	251,663	202,346	235,401	56.0	51.8
Management & investment income	19,670	12,859	17,750	12,028	4.9	2.6
Minus: management salaries	1,732	1,879	1,563	1,758	0.4	0.4
Plus: farmer & spouse labour	23,884	28,681	21,551	26,828	6.0	5.9
Net farm income	41,822	39,661	37,738	37,098	10.5	8.2
Farm business income	42,464	36,174	38,317	33,836	10.6	7.4

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>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	66	63	66	63	66	63
Productive cropping area (ha)	1.04	1.03	1.04	1.03		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	361,391	384,507	348,406	373,423	100	100
Variable costs						
Seed & young plants	55,531	54,871	53,536	53,289	15.4	14.3
Fertilisers & composts	12,027	19,252	11,595	18,697	3.3	5.0
Crop protection	2,738	2,856	2,639	2,774	0.8	0.7
Market charges	20,146	21,598	19,422	20,976	5.6	5.6
Packing materials	16,354	19,135	15,767	18,584	4.5	5.0
Horticultural sundries	12,275	10,571	11,834	10,266	3.4	2.7
Glasshouse fuel	32,105	46,280	30,952	44,946	8.9	12.0
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	151,177	174,564	145,745	169,532	41.8	45.4
Total gross margin	210,214	209,943	202,661	203,892	58.2	54.6
Fixed costs						
Labour:						
Regular paid	85,480	88,048	82,409	85,510	23.7	22.9
Regular unpaid	25,297	28,602	24,388	27,777	7.0	7.4
Casual labour	11,399	14,980	10,990	14,548	3.2	3.9
Power & machinery costs:						
Contract & hire	826	939	796	912	0.2	0.2
Fuel & electricity	9,027	9,670	8,703	9,392	2.5	2.5
Repairs	8,525	8,613	8,219	8,364	2.4	2.2
Machinery depreciation	9,943	10,512	9,586	10,209	2.8	2.7
Glasshouse depreciation	9,715	9,715	9,366	9,435	2.7	2.5
Rent (incl. imputed)	6,999	7,395	6,748	7,182	1.9	1.9
Other costs:						
Occupier's repairs	6,368	6,510	6,139	6,322	1.8	1.7
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,040	2,092	1,966	2,032	0.6	0.5
Sundries	17,976	18,295	17,330	17,767	5.0	4.8
Total fixed costs	193,596	205,371	186,640	199,451	53.6	53.4
Management & investment income	16,618	4,572	16,020	4,441	4.6	1.2
Minus: management salaries	586	456	565	443	0.2	0.1
Plus: farmer & spouse labour	21,860	24,883	21,075	24,166	6.0	6.5
Net farm income	37,892	29,000	36,530	28,164	10.5	7.5
Farm business income	39,389	28,263	37,974	27,448	10.9	7.4

Premium businesses	Per	Per £100	<u>Crop output per cent of total crop output (%)</u>		
	hectare	of gross	Average	Average	Premium
	2008/09	output	2007/08	2008/09	2008/09
		2008/09			
Number of businesses	21	21			
Productive cropping area (ha)	0.60				
	£ per hectare	average %			
Gross output	487,926	100.0			
Variable costs					
Seed & young plants	86,062	17.6			
Fertilisers & composts	15,387	3.2			
Crop protection	2,896	0.6			
Market charges	16,237	3.3			
Packing materials	20,136	4.1			
Horticultural sundries	13,039	2.7			
Glasshouse fuel	50,206	10.3			
Other variable costs	0	0.0			
Total variable costs	203,963	41.8			
Total gross margin	283,963	58.2			
Fixed costs					
Labour:					
Regular paid	87,626	18.0			
Regular unpaid	54,857	11.2			
Casual labour	23,913	4.9			
Power & machinery costs:					
Contract & hire	1,608	0.3			
Fuel & electricity	11,038	2.3			
Repairs	9,143	1.9			
Machinery depreciation	9,913	2.0			
Glasshouse depreciation	7,967	1.6			
Rent (incl. imputed)	8,358	1.7			
Other costs:					
Occupier's repairs	7,600	1.6			
Permanent crop depreciation	0	0.0			
Water	2,783	0.6			
Sundries	16,589	3.4			
Total fixed costs	241,397	49.5			
Management & investment income	42,567	8.7			
Minus: management salaries	274	0.1			
Plus: farmer & spouse labour	50,851	10.4			
Net farm income	93,144	19.1			
Farm business income	97,829	20.0			
			Average	Average	Premium
			2007/08	2008/09	2008/09
Glasshouse crops					
Flowers & nursery stock			48.0	48.4	51.4
Tomatoes			24.6	26.5	35.3
Lettuce			3.0	3.5	10.2
Soft fruit			5.4	4.1	0.0
Other glasshouse crops			18.8	17.4	3.1
Outdoor crops					
Flowers & nursery stock			0.1	0.1	0.0
Vegetables			0.0	0.1	0.1
Fruit			0.0	0.0	0.0
Other outdoor crops			0.0	0.0	0.0
Total			100.0	100.0	100.0
			Average	Average	Premium
			2007/08	2008/09	2008/09
Distribution of tenant's type capital (%)					
Crops & tillages			4	3	3
Stores			7	7	8
Glasshouses			29	28	20
Equipment			25	24	25
Livestock			0	0	0
Other			36	37	43
Total			100	100	100
Tenant's capital (£)			259,675	269,251	168,681
			Average	Average	
			2007/08	2008/09	
Farm business income (FBI)					
(distribution by number of businesses)					
Over £100,000			13	11	
£50,000 to <£100,000			11	5	
£25,000 to <£50,000			9	13	
£12,500 to <£25,000			12	12	
0 to <£12,500			13	12	
-£12,500 to 0			2	3	
-£25,000 to <-£12,500			2	0	
-£50,000 to <-£25,000			3	2	
Below -£50,000			1	5	
Total			66	63	

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>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	21	22	21	22	21	22
Productive cropping area (ha)	1.13	1.06	1.13	1.06		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	358,996	338,437	318,597	318,056	100	100
Variable costs						
Seed & young plants	18,532	18,700	16,446	17,574	5.2	5.5
Fertilisers & composts	10,463	11,721	9,286	11,015	2.9	3.5
Crop protection	3,006	2,871	2,668	2,698	0.8	0.8
Market charges	29,486	28,896	26,168	27,156	8.2	8.5
Packing materials	16,157	11,804	14,339	11,093	4.5	3.5
Horticultural sundries	10,500	10,997	9,319	10,335	2.9	3.2
Glasshouse fuel	54,864	70,766	48,690	66,504	15.3	20.9
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	143,009	155,754	126,916	146,375	39.8	46.0
Total gross margin	215,987	182,683	191,681	171,681	60.2	54.0
Fixed costs						
Labour:						
Regular paid	83,417	76,818	74,030	72,192	23.2	22.7
Regular unpaid	22,661	23,418	20,111	22,008	6.3	6.9
Casual labour	10,439	10,983	9,264	10,321	2.9	3.2
Power & machinery costs:						
Contract & hire	559	749	496	704	0.2	0.2
Fuel & electricity	9,431	8,719	8,370	8,194	2.6	2.6
Repairs	12,455	9,463	11,053	8,893	3.5	2.8
Machinery depreciation	7,637	7,064	6,778	6,638	2.1	2.1
Glasshouse depreciation	9,039	8,065	8,022	7,579	2.5	2.4
Rent (incl. imputed)	9,727	9,092	8,632	8,544	2.7	2.7
Other costs:						
Occupier's repairs	8,161	6,628	7,243	6,229	2.3	2.0
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,157	1,919	1,914	1,803	0.6	0.6
Sundries	14,302	12,541	12,692	11,786	4.0	3.7
Total fixed costs	189,985	175,456	168,606	164,890	52.9	51.8
Management & investment income	26,001	7,227	23,075	6,791	7.2	2.1
Minus: management salaries	90	82	80	77	0.0	0.0
Plus: farmer & spouse labour	19,713	20,196	17,494	18,979	5.5	6.0
Net farm income	45,624	27,341	40,490	25,694	12.7	8.1
Farm business income	47,976	28,130	42,577	26,436	13.4	8.3

Crop output per cent of total crop output (%)

	Average 2007/08	Average 2008/09
Glasshouse crops		
Flowers & nursery stock	0.0	0.0
Tomatoes	55.5	59.4
Lettuce	6.9	8.0
Soft fruit	12.3	9.2
Other glasshouse crops	25.4	23.3
Outdoor crops		
Flowers & nursery stock	0.0	0.0
Vegetables	0.0	0.1
Fruit	0.0	0.0
Other outdoor crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2007/08	Average 2008/09
Crops & tillages	0	0
Stores	4	4
Glasshouses	32	29
Equipment	19	19
Livestock	0	0
Other	45	48
Total	100	100
Tenant's capital (£)	226,611	214,258

Farm business income (FBI)

(distribution by number of businesses)

	Average 2007/08	Average 2008/09
Over £100,000	6	4
£50,000 to <£100,000	4	4
£25,000 to <£50,000	3	4
£12,500 to <£25,000	4	3
0 to <£12,500	3	2
-£12,500 to 0	0	0
-£25,000 to <-£12,500	1	0
-£50,000 to <-£25,000	0	2
Below -£50,000	0	3
Total	21	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>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	45	41	45	41	45	41
Productive cropping area (ha)	0.97	0.99	0.97	0.99		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	363,281	431,359	375,828	433,659	100	100
Variable costs						
Seed & young plants	84,731	91,656	87,657	92,144	23.3	21.2
Fertilisers & composts	13,261	26,912	13,719	27,056	3.7	6.2
Crop protection	2,526	2,841	2,613	2,857	0.7	0.7
Market charges	12,775	14,177	13,216	14,252	3.5	3.3
Packing materials	16,510	26,591	17,080	26,733	4.5	6.2
Horticultural sundries	13,675	10,137	14,148	10,191	3.8	2.3
Glasshouse fuel	14,144	21,378	14,633	21,492	3.9	5.0
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	157,623	193,692	163,067	194,725	43.4	44.9
Total gross margin	205,658	237,667	212,761	238,934	56.6	55.1
Fixed costs						
Labour:						
Regular paid	87,109	99,470	90,118	100,000	24.0	23.1
Regular unpaid	27,377	33,873	28,323	34,054	7.5	7.9
Casual labour	12,157	19,045	12,577	19,147	3.3	4.4
Power & machinery costs:						
Contract & hire	1,036	1,133	1,072	1,139	0.3	0.3
Fuel & electricity	8,708	10,638	9,008	10,694	2.4	2.5
Repairs	5,424	7,748	5,612	7,789	1.5	1.8
Machinery depreciation	11,762	14,019	12,169	14,093	3.2	3.2
Glasshouse depreciation	10,249	11,393	10,603	11,454	2.8	2.6
Rent (incl. imputed)	4,847	5,670	5,014	5,701	1.3	1.3
Other costs:						
Occupier's repairs	4,953	6,390	5,124	6,424	1.4	1.5
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	1,947	2,268	2,014	2,280	0.5	0.5
Sundries	20,876	24,146	21,597	24,275	5.7	5.6
Total fixed costs	196,446	235,794	203,231	237,051	54.1	54.7
Management & investment income	9,212	1,873	9,530	1,883	2.5	0.4
Minus: management salaries	977	837	1,011	841	0.3	0.2
Plus: farmer & spouse labour	23,555	29,650	24,368	29,808	6.5	6.9
Net farm income	31,789	30,687	32,887	30,850	8.8	7.1
Farm business income	32,612	28,398	33,739	28,549	9.0	6.6

Table 2.12 All specialist fruit businesses

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	41	40	41	40	41	40
Productive cropping area (ha)	19.42	15.57	19.42	15.57		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	223,358	177,469	11,503	11,400	100	100
Variable costs						
Seed & young plants	3,299	2,383	170	153	1.5	1.3
Fertilisers & composts	2,209	2,316	114	149	1.0	1.3
Crop protection	9,362	6,885	482	442	4.2	3.9
Market charges	24,591	21,195	1,266	1,362	11.0	11.9
Packing materials	19,967	15,534	1,028	998	8.9	8.8
Horticultural sundries	7,945	7,361	409	473	3.6	4.1
Glasshouse fuel	166	335	9	22	0.1	0.2
Other variable costs	974	1,607	50	103	0.4	0.9
Total variable costs	68,513	57,616	3,528	3,701	30.7	32.5
Total gross margin	154,844	119,853	7,974	7,699	69.3	67.5
Fixed costs						
Labour:						
Regular paid	21,757	18,022	1,120	1,158	9.7	10.2
Regular unpaid	16,893	15,322	870	984	7.6	8.6
Casual labour	36,182	31,184	1,863	2,003	16.2	17.6
Power & machinery costs:						
Contract & hire	4,914	6,203	253	398	2.2	3.5
Fuel & electricity	6,242	6,194	321	398	2.8	3.5
Repairs	6,882	4,764	354	306	3.1	2.7
Machinery depreciation	8,819	8,169	454	525	3.9	4.6
Glasshouse depreciation	3	2	0	0	0.0	0.0
Rent (incl. imputed)	11,362	10,635	585	683	5.1	6.0
Other costs:						
Occupier's repairs	3,271	3,329	168	214	1.5	1.9
Permanent crop depreciation	2,349	2,713	121	174	1.1	1.5
Water	1,163	1,306	60	84	0.5	0.7
Sundries	12,089	11,949	623	768	5.4	6.7
Total fixed costs	131,926	119,791	6,794	7,695	59.1	67.5
Management & investment income	22,919	62	1,180	4	10.3	0.0
Minus: management salaries	846	121	44	8	0.4	0.1
Plus: farmer & spouse labour	14,628	13,604	753	874	6.5	7.7
Net farm income	36,702	13,545	1,890	870	16.4	7.6
Farm business income	39,572	16,030	2,038	1,030	17.7	9.0

Table 2.13 Specialist fruit businesses, mainly top fruit*

	<i>Per business</i>		<i>Per hectare</i>		<i>Per £100 of gross output</i>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	24	27	24	27	24	27
Productive cropping area (ha)	19.44	17.03	19.44	17.03		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	216,197	161,916	11,120	9,508	100	100
Variable costs						
Seed & young plants	563	108	29	6	0.3	0.1
Fertilisers & composts	1,506	1,643	77	96	0.7	1.0
Crop protection	9,469	8,402	487	493	4.4	5.2
Market charges	33,476	22,694	1,722	1,333	15.5	14.0
Packing materials	24,170	17,320	1,243	1,017	11.2	10.7
Horticultural sundries	8,303	7,142	427	419	3.8	4.4
Glasshouse fuel	276	600	14	35	0.1	0.4
Other variable costs	0	305	0	18	0.0	0.2
Total variable costs	77,763	58,214	4,000	3,418	36.0	36.0
Total gross margin	138,435	103,703	7,121	6,090	64.0	64.0
Fixed costs						
Labour:						
Regular paid	20,694	18,156	1,064	1,066	9.6	11.2
Regular unpaid	16,363	13,561	842	796	7.6	8.4
Casual labour	30,936	23,736	1,591	1,394	14.3	14.7
Power & machinery costs:						
Contract & hire	3,711	2,673	191	157	1.7	1.7
Fuel & electricity	6,780	6,500	349	382	3.1	4.0
Repairs	6,327	4,594	325	270	2.9	2.8
Machinery depreciation	9,491	9,668	488	568	4.4	6.0
Glasshouse depreciation	0	0	0	0	0.0	0.0
Rent (incl. imputed)	11,709	10,452	602	614	5.4	6.5
Other costs:						
Occupier's repairs	3,313	3,294	170	193	1.5	2.0
Permanent crop depreciation	4,069	4,235	209	249	1.9	2.6
Water	548	576	28	34	0.3	0.4
Sundries	10,041	9,378	516	551	4.6	5.8
Total fixed costs	123,982	106,822	6,377	6,273	57.3	66.0
Management & investment income	14,453	-3,119	743	-183	6.7	-1.9
Minus: management salaries	691	218	36	13	0.3	0.1
Plus: farmer & spouse labour	14,396	11,543	740	678	6.7	7.1
Net farm income	28,158	8,206	1,448	482	13.0	5.1
Farm business income	29,832	13,684	1,534	804	13.8	8.5

Crop output per cent of total crop output (%)

	Average 2007/08	Average 2008/09
Top fruit		
Dessert apples & pears	52.1	52.3
Culinary apples	16.9	18.6
Plums	6.9	2.5
Other top fruit	23.9	26.5
Soft fruit		
Strawberries	0.1	0.0
Raspberries	0.0	0.0
Blackcurrants	0.0	0.0
Other soft fruit	0.0	0.0
Other crops	0.1	0.0
Total	100	100

Distribution of tenant's type capital (%)

	Average 2007/08	Average 2008/09
Crops & tillages	27	24
Stores	3	3
Glasshouses	0	0
Equipment	42	44
Livestock	0	0
Other	29	29
Total	100	100
Tenant's capital (£)	198,901	164,881

Farm business income (FBI)

(distribution by number of businesses)

	Average 2007/08	Average 2008/09
Over £100,000	3	0
£50,000 to <£100,000	4	6
£25,000 to <£50,000	6	5
£12,500 to <£25,000	2	7
0 to <£12,500	4	3
-£12,500 to 0	2	1
-£25,000 to <-£12,500	0	3
-£50,000 to <-£25,000	2	1
Below -£50,000	1	1
Total	24	27

* 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>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	45	41	45	41	45	41
Productive cropping area (ha)	4.67	4.14	4.67	4.14		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	413,279	409,689	88,484	98,984	100	100
Variable costs						
Seed & young plants	118,345	132,126	25,338	31,923	28.6	32.3
Fertilisers & composts	9,982	12,572	2,137	3,037	2.4	3.1
Crop protection	3,567	3,227	764	780	0.9	0.8
Market charges	13,820	13,787	2,959	3,331	3.3	3.4
Packing materials	6,398	8,203	1,370	1,982	1.5	2.0
Horticultural sundries	16,274	15,111	3,484	3,651	3.9	3.7
Glasshouse fuel	1,485	1,355	318	327	0.4	0.3
Other variable costs	431	402	92	97	0.1	0.1
Total variable costs	170,302	186,784	36,462	45,128	41.2	45.6
Total gross margin	242,977	222,905	52,022	53,855	58.8	54.4
Fixed costs						
Labour:						
Regular paid	94,677	90,933	20,271	21,970	22.9	22.2
Regular unpaid	21,471	24,099	4,597	5,822	5.2	5.9
Casual labour	8,423	6,870	1,803	1,660	2.0	1.7
Power & machinery costs:						
Contract & hire	2,276	2,051	487	495	0.6	0.5
Fuel & electricity	7,546	7,442	1,616	1,798	1.8	1.8
Repairs	7,458	5,192	1,597	1,254	1.8	1.3
Machinery depreciation	9,943	9,771	2,129	2,361	2.4	2.4
Glasshouse depreciation	4,296	3,777	920	912	1.0	0.9
Rent (incl. imputed)	8,859	8,400	1,897	2,030	2.1	2.1
Other costs:						
Occupier's repairs	6,026	5,081	1,290	1,228	1.5	1.2
Permanent crop depreciation	47	135	10	33	0.0	0.0
Water	1,647	1,559	353	377	0.4	0.4
Sundries	17,598	18,237	3,768	4,406	4.3	4.5
Total fixed costs	190,267	183,547	40,737	44,346	46.0	44.8
Management & investment income	52,709	39,358	11,285	9,509	12.8	9.6
Minus: management salaries	2,365	685	506	166	0.6	0.2
Plus: farmer & spouse labour	17,099	17,974	3,661	4,343	4.1	4.4
Net farm income	67,444	56,647	14,440	13,686	16.3	13.8
Farm business income	68,589	41,195	14,685	9,953	16.6	10.1

Crop output per cent of total crop output (%)

	Average 2007/08	Average 2008/09
Hardy nursery stock		
Glasshouse crops	35.8	29.8
Outdoor crops	63.5	70.0
Other crops	0.7	0.2
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2007/08	Average 2008/09
Crops & tillages	36	32
Stores	6	7
Glasshouses	6	5
Equipment	18	18
Livestock	1	3
Other	33	35
Total	100	100

Tenant's capital (£) **310,427** **314,234**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2007/08	Average 2008/09
Over £100,000	11	6
£50,000 to <£100,000	8	9
£25,000 to <£50,000	9	9
£12,500 to <£25,000	6	5
0 to <£12,500	6	3
-£12,500 to 0	4	4
-£25,000 to <-£12,500	1	2
-£50,000 to <-£25,000	0	2
Below -£50,000	0	1
Total	45	41

** 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>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	15	15	15	15	15	15
Productive cropping area (ha)	1.31	1.65	1.31	1.65		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	540,894	500,058	413,333	302,524	100	100
Variable costs						
Seed & young plants	121,657	138,432	92,966	83,748	22.5	27.7
Fertilisers & composts	15,034	18,973	11,488	11,478	2.8	3.8
Crop protection	5,770	4,438	4,409	2,685	1.1	0.9
Market charges	19,413	14,309	14,835	8,657	3.6	2.9
Packing materials	11,696	13,645	8,938	8,255	2.2	2.7
Horticultural sundries	21,585	17,057	16,494	10,319	4.0	3.4
Glasshouse fuel	4,286	3,748	3,275	2,267	0.8	0.7
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	199,441	210,601	152,406	127,409	36.9	42.1
Total gross margin	341,453	289,457	260,927	175,115	63.1	57.9
Fixed costs						
Labour:						
Regular paid	133,540	125,049	102,046	75,652	24.7	25.0
Regular unpaid	28,315	32,718	21,637	19,794	5.2	6.5
Casual labour	18,983	13,392	14,506	8,102	3.5	2.7
Power & machinery costs:						
Contract & hire	2,015	1,729	1,540	1,046	0.4	0.3
Fuel & electricity	9,509	9,588	7,266	5,800	1.8	1.9
Repairs	11,010	6,006	8,413	3,633	2.0	1.2
Machinery depreciation	9,842	12,179	7,521	7,368	1.8	2.4
Glasshouse depreciation	6,913	7,742	5,282	4,684	1.3	1.5
Rent (incl. imputed)	12,279	9,737	9,383	5,890	2.3	1.9
Other costs:						
Occupier's repairs	7,295	7,844	5,575	4,745	1.3	1.6
Permanent crop depreciation	0	0	0	0	0.0	0.0
Water	2,466	2,086	1,885	1,262	0.5	0.4
Sundries	21,718	20,721	16,596	12,536	4.0	4.1
Total fixed costs	263,884	248,790	201,651	150,512	48.8	49.8
Management & investment income	77,569	40,667	59,275	24,603	14.3	8.1
Minus: management salaries	8,185	2,448	6,255	1,481	1.5	0.5
Plus: farmer & spouse labour	21,014	25,097	16,058	15,183	3.9	5.0
Net farm income	90,397	63,315	69,079	38,304	16.7	12.7
Farm business income	92,685	51,248	70,827	31,004	17.1	10.2

Crop output per cent of total crop output (%)

	Average 2007/08	Average 2008/09
Hardy nursery stock		
Glasshouse crops	90.3	80.3
Outdoor crops	9.7	19.7
Other crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2007/08	Average 2008/09
Crops & tillages	31	35
Stores	12	9
Glasshouses	12	13
Equipment	12	13
Livestock	0	0
Other	33	30
Total	100	100

Tenant's capital (£) **403,310** **407,019**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2007/08	Average 2008/09
Over £100,000	6	3
£50,000 to <£100,000	3	4
£25,000 to <£50,000	2	3
£12,500 to <£25,000	1	1
0 to <£12,500	1	2
-£12,500 to 0	1	0
-£25,000 to <-£12,500	1	1
-£50,000 to <-£25,000	0	1
Below -£50,000	0	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>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	25	23	25	23	25	23
Productive cropping area (ha)	5.13	4.93	5.13	4.93		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	390,129	439,201	76,082	89,030	100	100
Variable costs						
Seed & young plants	132,164	157,255	25,774	31,877	33.9	35.8
Fertilisers & composts	8,867	10,956	1,729	2,221	2.3	2.5
Crop protection	2,339	3,280	456	665	0.6	0.7
Market charges	12,404	16,922	2,419	3,430	3.2	3.9
Packing materials	3,860	7,197	753	1,459	1.0	1.6
Horticultural sundries	15,495	17,114	3,022	3,469	4.0	3.9
Glasshouse fuel	398	528	78	107	0.1	0.1
Other variable costs	0	0	0	0	0.0	0.0
Total variable costs	175,527	213,251	34,231	43,228	45.0	48.6
Total gross margin	214,602	225,950	41,851	45,802	55.0	51.4
Fixed costs						
Labour:						
Regular paid	85,189	95,062	16,613	19,270	21.8	21.6
Regular unpaid	18,816	18,450	3,669	3,740	4.8	4.2
Casual labour	3,506	4,229	684	857	0.9	1.0
Power & machinery costs:						
Contract & hire	1,722	2,442	336	495	0.4	0.6
Fuel & electricity	7,051	7,699	1,375	1,561	1.8	1.8
Repairs	6,068	5,572	1,183	1,129	1.6	1.3
Machinery depreciation	10,345	10,463	2,017	2,121	2.7	2.4
Glasshouse depreciation	3,704	2,771	722	562	0.9	0.6
Rent (incl. imputed)	7,341	7,754	1,432	1,572	1.9	1.8
Other costs:						
Occupier's repairs	5,083	4,639	991	940	1.3	1.1
Permanent crop depreciation	83	235	16	48	0.0	0.1
Water	1,414	1,389	276	281	0.4	0.3
Sundries	17,026	19,956	3,320	4,045	4.4	4.5
Total fixed costs	167,347	180,660	32,635	36,621	42.9	41.1
Management & investment income	47,255	45,290	9,216	9,181	12.1	10.3
Minus: management salaries	0	0	0	0	0.0	0.0
Plus: farmer & spouse labour	15,796	15,650	3,081	3,172	4.0	3.6
Net farm income	63,051	60,940	12,296	12,353	16.2	13.9
Farm business income	63,122	35,307	12,310	7,157	16.2	8.0

Crop output per cent of total crop output (%)

	Average 2007/08	Average 2008/09
Hardy nursery stock		
Glasshouse crops	4.8	2.4
Outdoor crops	95.2	97.6
Other crops	0.0	0.0
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2007/08	Average 2008/09
Crops & tillages	39	35
Stores	3	5
Glasshouses	4	3
Equipment	21	20
Livestock	0	0
Other	33	37
Total	100	100

Tenant's capital (£) **292,555** **322,804**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2007/08	Average 2008/09
Over £100,000	4	3
£50,000 to <£100,000	5	4
£25,000 to <£50,000	6	5
£12,500 to <£25,000	4	4
0 to <£12,500	5	0
-£12,500 to 0	1	4
-£25,000 to <-£12,500	0	1
-£50,000 to <-£25,000	0	1
Below -£50,000	0	1
Total	25	23

** 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>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	33	33	33	33	33	33
Productive cropping area (ha)	51.10	47.18	51.10	47.18		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	482,254	556,960	9,437	11,805	100	100
Variable costs						
Seed & young plants	62,120	67,754	1,216	1,436	12.9	12.2
Fertilisers & composts	14,338	20,560	281	436	3.0	3.7
Crop protection	14,471	19,952	283	423	3.0	3.6
Market charges	20,831	37,529	408	795	4.3	6.7
Packing materials	33,812	69,123	662	1,465	7.0	12.4
Horticultural sundries	15,171	17,313	297	367	3.1	3.1
Glasshouse fuel	3,025	3,065	59	65	0.6	0.6
Other variable costs	1,391	2,877	27	61	0.3	0.5
Total variable costs	165,159	238,174	3,232	5,048	34.2	42.8
Total gross margin	317,094	318,787	6,205	6,757	65.8	57.2
Fixed costs						
Labour:						
Regular paid	86,584	115,175	1,694	2,441	18.0	20.7
Regular unpaid	19,255	20,561	377	436	4.0	3.7
Casual labour	62,410	40,187	1,221	852	12.9	7.2
Power & machinery costs:						
Contract & hire	13,301	10,885	260	231	2.8	2.0
Fuel & electricity	15,198	23,120	297	490	3.2	4.2
Repairs	17,781	16,737	348	355	3.7	3.0
Machinery depreciation	19,885	22,468	389	476	4.1	4.0
Glasshouse depreciation	1,069	1,134	21	24	0.2	0.2
Rent (incl. imputed)	29,452	28,554	576	605	6.1	5.1
Other costs:						
Occupier's repairs	6,245	6,867	122	146	1.3	1.2
Permanent crop depreciation	856	1,140	17	24	0.2	0.2
Water	3,128	3,042	61	64	0.6	0.5
Sundries	17,734	19,817	347	420	3.7	3.6
Total fixed costs	292,898	309,688	5,732	6,564	60.7	55.6
Management & investment income	24,197	9,099	474	193	5.0	1.6
Minus: management salaries	421	412	8	9	0.1	0.1
Plus: farmer & spouse labour	17,084	18,538	334	393	3.5	3.3
Net farm income	40,859	27,225	800	577	8.5	4.9
Farm business income	45,829	20,083	897	426	9.5	3.6

Crop output per cent of total crop output (%)

	Average 2007/08	Average 2008/09
Glasshouse crops	12.7	11.9
Outdoor vegetables:		
Brassicas	26.0	14.4
Legumes	0.0	0.1
Salad crops	28.8	38.8
Other outdoor vegetables	16.9	15.9
Flowers & nursery stock	3.7	5.6
Soft fruit	3.6	3.3
Top fruit	1.1	1.5
Farm crops	7.2	8.6
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2007/08	Average 2008/09
Crops & tillages	11	18
Stores	9	8
Glasshouses	2	2
Equipment	35	30
Livestock	2	3
Other	40	39
Total	100	100

Tenant's capital (£) **275,860** **279,983**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2007/08	Average 2008/09
Over £100,000	8	5
£50,000 to <£100,000	8	2
£25,000 to <£50,000	3	6
£12,500 to <£25,000	3	2
0 to <£12,500	4	8
-£12,500 to 0	1	1
-£25,000 to <-£12,500	0	2
-£50,000 to <-£25,000	1	2
Below -£50,000	5	5
Total	33	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>	
	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
Number of businesses	20	15	20	15	20	15
Productive cropping area (ha)	66.59	93.44	66.59	93.44		
	<i>Average £/business</i>		<i>Average £/hectare</i>		<i>Average %</i>	
Gross output	576,434	1,121,490	8,656	12,003	100	100
Variable costs						
Seed & young plants	54,016	111,999	811	1,199	9.4	10.0
Fertilisers & composts	15,381	34,858	231	373	2.7	3.1
Crop protection	17,318	45,373	260	486	3.0	4.0
Market charges	27,915	87,508	419	937	4.8	7.8
Packing materials	47,614	175,895	715	1,883	8.3	15.7
Horticultural sundries	14,157	18,978	213	203	2.5	1.7
Glasshouse fuel	1,051	780	16	8	0.2	0.1
Other variable costs	189	872	3	9	0.0	0.1
Total variable costs	177,641	476,262	2,668	5,097	30.8	42.5
Total gross margin	398,792	645,228	5,989	6,906	69.2	57.5
Fixed costs						
Labour:						
Regular paid	85,333	222,114	1,281	2,377	14.8	19.8
Regular unpaid	20,966	23,389	315	250	3.6	2.1
Casual labour	78,776	83,944	1,183	898	13.7	7.5
Power & machinery costs:						
Contract & hire	18,809	23,589	282	252	3.3	2.1
Fuel & electricity	18,362	50,280	276	538	3.2	4.5
Repairs	21,792	34,509	327	369	3.8	3.1
Machinery depreciation	25,941	50,291	390	538	4.5	4.5
Glasshouse depreciation	420	906	6	10	0.1	0.1
Rent (incl. imputed)	37,274	59,933	560	641	6.5	5.3
Other costs:						
Occupier's repairs	8,022	14,846	120	159	1.4	1.3
Permanent crop depreciation	357	612	5	7	0.1	0.1
Water	4,029	6,869	61	74	0.7	0.6
Sundries	18,146	33,409	272	358	3.1	3.0
Total fixed costs	338,229	604,691	5,079	6,472	58.7	53.9
Management & investment income	60,564	40,537	909	434	10.5	3.6
Minus: management salaries	580	998	9	11	0.1	0.1
Plus: farmer & spouse labour	19,247	21,284	289	228	3.3	1.9
Net farm income	79,231	60,823	1,190	651	13.7	5.4
Farm business income	79,891	38,319	1,200	410	13.9	3.4

Crop output per cent of total crop output (%)

	Average 2007/08	Average 2008/09
Glasshouse crops	2.6	1.7
Outdoor vegetables:		
Brassicas	31.1	18.0
Legumes	0.0	0.1
Salad crops	38.1	52.5
Other outdoor vegetables	22.1	21.3
Flowers & nursery stock	0.0	0.0
Soft fruit	0.5	0.0
Top fruit	0.1	0.0
Farm crops	5.5	6.4
Total	100.0	100.0

Distribution of tenant's type capital (%)

	Average 2007/08	Average 2008/09
Crops & tillages	9	12
Stores	5	5
Glasshouses	1	2
Equipment	38	38
Livestock	1	1
Other	46	41
Total	100	100

Tenant's capital (£) **322,807 501,816**

Farm business income (FBI)

(distribution by number of businesses)

	Average 2007/08	Average 2008/09
Over £100,000	6	4
£50,000 to <£100,000	7	1
£25,000 to <£50,000	2	3
£12,500 to <£25,000	1	0
0 to <£12,500	1	3
-£12,500 to 0	1	1
-£25,000 to <-£12,500	0	0
-£50,000 to <-£25,000	0	1
Below -£50,000	2	2
Total	20	15

** no premium figures, sample too small*

Table 2.19 Balance sheet data for horticultural businesses

Group	All horticulture		Specialist glass		Specialist fruit	
	2008/09 Opening	2008/09 Closing	2008/09 Opening	2008/09 Closing	2008/09 Opening	2008/09 Closing
Number of businesses						
Harvest year	2008/09 Opening	2008/09 Closing	2008/09 Opening	2008/09 Closing	2008/09 Opening	2008/09 Closing
Assets						
Fixed assets						
Land, buildings & SPS entitlement	349,494	374,197	259,649	273,825	596,341	629,775
Breeding livestock	587	622	0	0	2,011	2,333
Machinery & glasshouses	85,197	90,844	107,029	110,842	39,043	38,510
Permanent crops	11,350	11,865	8,604	9,435	37,746	40,608
Miscellaneous business assets	1,989	1,764	61	255	646	495
Total fixed assets	448,617	479,292	375,343	394,359	675,787	711,722
Current assets						
Crops & trading livestock	48,348	49,899	13,285	13,803	11,708	10,737
Goods in store	18,752	20,536	17,480	19,496	4,966	5,548
Liquid assets	83,358	89,139	83,369	83,651	60,452	55,661
Total current assets	150,459	159,574	114,135	116,950	77,126	71,946
Total assets	599,076	638,866	489,478	511,308	752,913	783,668
Liabilities						
Bank term loan	14,733	16,446	13,291	11,461	5,687	5,605
Other loans	35,516	36,506	46,995	48,118	25,712	31,932
Bank overdraft	32,146	33,996	18,794	19,555	31,979	25,921
Other short term loans	49,067	58,768	41,325	44,475	22,330	44,611
Total external liabilities	131,463	145,715	120,405	123,609	85,708	108,070
Net worth	467,613	493,151	369,073	387,699	667,205	675,598
Percentage equity (%)	78.1%	77.2%	75.4%	75.8%	88.6%	86.2%

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

	Average Assets 2008/09	Average Liabilities 2008/09	Average Net Worth 2008/09	Average % Equity 2008/09
Defra main farm type				
Lowland cattle & sheep	658,488	45,994	612,494	93.0%
Cereals	1,521,024	133,820	1,387,204	91.2%
Mixed	1,046,547	119,749	926,798	88.6%
General cropping	1,482,083	169,318	1,312,765	88.6%
Dairy	1,034,278	181,993	852,285	82.4%
Horticulture	618,971	138,589	480,382	77.6%
Pigs	612,633	286,647	325,987	53.2%
Poultry	718,763	250,544	468,219	65.1%
All businesses	1,040,593	122,652	917,942	88.2%

Group	Specialist HNS		Other horticulture	
	2008/09 Opening	2008/09 Closing	2008/09 Opening	2008/09 Closing
Number of businesses				
Harvest year	2008/09 Opening	2008/09 Closing	2008/09 Opening	2008/09 Closing
Assets				
Fixed assets				
Land, buildings & SPS entitlement	212,983	229,336	441,101	480,684
Breeding livestock	167	0	615	762
Machinery & glasshouses	81,036	81,837	108,796	128,186
Permanent crops	552	468	9,499	8,822
Miscellaneous business assets	4,219	4,163	1,307	409
Total fixed assets	298,956	315,804	561,317	618,863
Current assets				
Crops & trading livestock	96,500	100,120	33,927	35,189
Goods in store	25,927	28,049	19,711	21,717
Liquid assets	98,550	102,982	78,167	98,956
Total current assets	220,976	231,151	131,805	155,862
Total assets	519,932	546,955	693,122	774,726
Liabilities				
Bank term loan	25,687	21,883	6,405	20,927
Other loans	23,713	22,108	51,233	51,963
Bank overdraft	32,258	31,374	43,552	56,651
Other short term loans	47,653	46,552	78,705	100,598
Total external liabilities	129,312	121,917	179,895	230,139
Net worth	390,620	425,039	513,227	544,587
Percentage equity (%)	75.1%	77.7%	74.0%	70.3%

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, 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 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 gross 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 & plants, fertiliser & composts, crop protection, market charges, packing materials, horticultural sundries, glasshouse fuel 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
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
Director's remuneration

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**

Details available at www.ruralbusinessresearch.co.uk

RBR at Reading
Agriculture and Food Investigation Team
School of Agriculture, Policy and Development
University of Reading
4 Earley Gate
Whiteknights
PO Box 237
Reading RG6 6AR

Phone 0118 378 7426
Fax 0118 975 6467

www.ruralbusinessresearch.co.uk