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*Farm business analysis*

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THE WEST OF SCOTLAND AGRICULTURAL COLLEGE

JAN 15 1971

# FARM FINANCIAL RETURNS

SOME TYPE GROUP FIGURES FOR 5-10 YEARS

178 BOTHWELL STREET  
GLASGOW, C.2

ECONOMICS DEPARTMENT REPORT No. 124  
19689

ECONOMICS DEPARTMENT REPORT No. 124

ERRATA

The figures showing Cattle and Sheep Subsidies on Page 21 should read as follows:-

	<u>HILL OUTWITH HIGHLANDS</u>		<u>UPLAND STOCK</u>	
	Subsidies:-		Subsidies:-	
	<u>Cattle</u>	<u>Sheep</u>	<u>Cattle</u>	<u>Sheep</u>
	£	£	£	£
1962-63	304	246	526	92
1963-64	334	409	430	154
1964-65	377	1025	553	400
1965-66	423	818	752	321
1966-67	459	863	823	329
1967-68	547	983	921	373

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178 Bothwell Street,  
Glasgow, C.2.

Economics Department Report No. 124  
1969

FOREWORD

The original intention was to issue this report in the autumn of 1968, but it was not possible to do so. It was then decided to find out how far the identical sample could be taken closer to the present time by bringing in some groups of 1966-67 farm accounts and also some for 1967-68. Although the original samples had been completely identical - same farms, same length of time - there was a slight loss of numbers in all three type-groups for the two most recent years. For that reason the main part of each section deals with results over the period of years originally handled, while additional columns deal with the 1966-67 and/or 1967-68 results for slightly smaller groups.

The aim of this analysis was to find out how certain groups of farms fared over a period.

The information is presented wholly by means of a Summary and some Appendix Tables.

The financial accounting results collected annually from farms and available for use here amount in total to about 275-300 farm records. Broadly, these samples represent around 40-45 farms of the 'Livestock with Arable' type, about 50-60 farms of the 'Hill and Upland' type and about 175 records for 'Dairy' farms, which type is easily the most important in this College province.

Within these totals, while each type group contains a sizeable 'identical sample' of farm accounts over short periods, it is more difficult to maintain a high proportion of identical records over longer periods. To keep together, over a period of years, samples of farm accounts which are identical in the real sense - i.e. only unimportant changes in acreages and not affected by sudden marked changes in enterprise combination, e.g. 'getting out of dairying' etc. - is not easy. Retirals from farming,



'broken' accounting years because of new partnerships etc., reduction or aggregation of acreages, all mean changes which break a sequence or disturb comparability.

For all the farms within the small samples here, there is a high degree of comparability over the periods stated.

There are some minor changes in the presentation of tabular material between the earlier and later years, mainly due to the figures for later years being more handled by "netting", where the expenditure is reduced by certain small offset items of revenue. The rental figure is an example of this. But this, and similar treatment elsewhere, does not affect any important figure.

Thanks are due to various members of staff who have, over the years, collected the data from farms and to J.A.R. Mitchell who was responsible for the grouping of farm records and the supervision of statistical work.

J.A. Gilchrist.

FINANCIAL ACCOUNT MATERIAL AVAILABLE

It has to be stressed that the group average results represent "the same farms over a number of years" and that each farm used has remained closely comparable in size over each year of the period.

While there have been slight changes in accounting method during the period, two require mention. In recent years, the rental values placed on owner-occupied farms have gradually been raised into line with what similar farms would be worth on a tenancy basis. The second change is that, within the 1966-67 year, both the opening and closing valuations of stock and crop were brought closer to current values and continued into 1967-68 on that basis. In this case the change is confined within one year and is unlikely to make much difference to that year within the run of annual profitability figures.

The information was brought together in summary form as follows:-

Dairy Farms - 12 year period, 1956-57 to 1967-68

Up to 125 acres	19 farms
126 to 200 acres	17 farms
Over 200 acres	<u>12 farms</u>
	<u>48</u>

The original basic 10 years sample of 'identicals' for the period 1956-57 to 1965-66 was for 63 farms, with 58 of these again available for 1966-67 and 48 for 1967-68.

Hill Farms - Highland Area

For this grouping the basic 10 year period relates to 14 farms from 1957-58 to 1966-67, with 1 farm not being available as an identical record in 1967-68, giving 13 farms for that year.

Hill Farms - Outwith Highlands

For this grouping a basic 5 year period relates to 20 farms from 1962-63 to 1966-67 with 2 farms not being available as identical records in 1967-68, giving 18 farms for that year.

Upland Stock Farms

There is available an unbroken identical sample of 7 farms for 6 years i.e. 1962-63 to 1967-68.

Livestock with Arable Farms

For a basic 10 year period up to and including 1966-67, records for the same 15 farms are available. For the remaining year, (1967-68), there were only 13 records.

SUMMARY

A reference to a year, e.g. 1967-68, indicates farm accounts with closing financial year dates from autumn 1967 to midsummer 1968 and similarly for other years.

DAIRY FARMS

Longest Period

This covers the same 48 farms over a 12 year period, i.e. 1956-57 to 1967-68. The farms were classified into 3 size groups.

A summary of Appendix Table I is:-

	<u>Up to</u> <u>125 acres</u>	<u>126 to</u> <u>200 acres</u>	<u>Over</u> <u>200 acres</u>
Number of farms	19	17	12
Average size - acres	72	156	282
Surplus. Annual Average			
Whole Period	£51	£552	£1595
Surplus. 1966-67	(-) £147	£431	£1396
Surplus. 1967-68	(-) £115	£664	£2111
Number of cows 1956-57	26	42	61
"   "   "   1967-68	32	49	76

It has to be kept in mind that at this point and elsewhere, Surplus is Profit reduced by an estimate representing the value of manual work of farmer and wife.

The Appendix Table I shows the year by year fluctuations in Profit and in Surplus over 12 years. In 1967-68 the average Profit, in each of the 3 size-groups, was above the 12 years average, though only slightly so with the group of smaller farms.



With Surplus, (after charging the manual work of farmer and wife - which charge was increased as "hired wages" increased), the 1967-68 figure was above the 12 year average in the groups of medium and larger farms, but below for the group of small farms.

Appendix Tables II, III, and IV contrast the averages of the opening 3 years and the closing 3 years of a 10 year period, with the years of 1966-67 and 1967-68, but with fewer farms for 1966-67 and 1967-68. These tables show the same features for all 3 groups i.e.:-

Rising Trading Expenditure  
 Rising Depreciation Charge (indicating more capital expenditure)  
 Rising Trading Revenue.

At the Profit stage of comparison, the 1967-68 year was more profitable than 1966-67 or the average of the 3 years for the opening and closing of the basic period of 10 years.

One comparison obtainable from Appendix Tables II, III and IV is the amount by which Trading Revenue exceeded Trading Expenditure.

	<u>Opening Years</u>	<u>Closing Years</u>		
	<u>3 Year Average</u>	<u>3 Year Average</u>	<u>Year 1966-67</u>	<u>Year 1967-68</u>
	£	£	£	£
<u>UP TO 125 ACRES</u>				
Trading Revenue	4513	5493	5801	6191
<u>Less</u> Trading Expenditure	<u>3435</u>	<u>4389</u>	<u>4739</u>	<u>4929</u>
Balance	<u>£1078</u>	<u>£1104</u>	<u>£1062</u>	<u>£1262</u>
<u>126 TO 200 ACRES</u>				
Trading Revenue	7444	8308	8718	9460
<u>Less</u> Trading Expenditure	<u>5868</u>	<u>6818</u>	<u>7219</u>	<u>7228</u>
Balance	<u>£1576</u>	<u>£1490</u>	<u>£1499</u>	<u>£2232</u>
<u>OVER 200 ACRES</u>				
Trading Revenue	11106	13811	14136	16579
<u>Less</u> Trading Expenditure	<u>8331</u>	<u>11218</u>	<u>11355</u>	<u>12882</u>
Balance	<u>£2775</u>	<u>£2593</u>	<u>£2781</u>	<u>£3697</u>

Depreciation on equipment is not charged in the above.

Although a small sum among the Trading Revenue consists of produce used, house rent, etc. and a rather larger sum among Trading Expenditure consists of Board and Lodgings to Labour, to some extent the Balances shown are equivalent to what 'cash' was available to purchase new equipment, and for living expenses, meeting income tax and saving. This ignores any rises or falls in the annual stock and crop valuations.

For the smaller farms, £1000-£1100 was the amount available for these purposes with 1967-68 rather above that.

For the medium farms, £1500-£1550 was the amount available, with 1967-68 substantially above that.

In the larger farms, £2500-£2750 was the amount available, with 1967-68 substantially above that.

In Appendix Table V, there is shown some detail of a few main types of expenditure and revenue in the opening and closing years of the basic period, and also the depreciation charge required to be set against the straightforward balance between Trading Revenue and Trading Expenditure.

#### HILL AND UPLAND FARMS

##### HILL FARMS IN HIGHLAND AREA

The longest period with a completely identical sample for this type was one of 14 farms for 10 years ended with 1966-67. For the 1967-68 year, one farm account was not available, making only 13 for that year.

##### HILL FARMS OUTWITH HIGHLAND AREA

The identical sample here was for a shorter period, being 20 farms for 5 years with only 18 farms available for the 1967-68 year.

##### UPLAND FARMS

The identical sample was made up of 7 farms for 6 years. Handling these types together:-

	<u>Hill Farms Highland</u>	<u>Hill Farms Outwith Highlands</u>	<u>Upland Stock Farms</u>
Number of Farms (Period)	14	20	7
Number of Farms (1967-68) (Figures are per farm)	13	18	7
Acreages:-			
<u>For closing year</u>			
Acres	2818	2054	695
Ewes	859	883	356
Cows	19	25	37
Surplus:-			
<u>Period</u>			
Annual Average	£413	£870	£639
1967-68	£413	£737	£673

Detail of these is given in Appendix Tables VI, VII, VIII.

The Appendix Table (VI) shows the year by year fluctuations in Profit and Surplus for the Hill farms - Highland group - for 11 years. For these farms, averaging about 850 ewes in size, the per farm profit over the period was almost £900 from the fully identical sample or, at the Surplus point, a figure of slightly over £400. To the level of financial return in the past 5 years the contribution of the Hill Sheep Subsidy was at the rate of 20/- to 25/- per ewe.

Taking hill farms outwith the Highland area (Appendix Table VII) on a shorter period identical run of 5 years and again on ewe flocks of averaging about 850 ewes, the average profit per farm was around £1060 and the average Surplus was £870.

For the group of Upland Stock-Raising farms, (Appendix Table VIII) there was an identical run of the same 7 farms for 6 years. For the 5 year average the Profit per Farm was about £1100 or a Surplus of rather under £650. For the individual year, 1967-68 these figures were rather higher.

Appendix Tables IX and X show the Summary of the Farm Accounts for the Hill farms, Highland and Hill farms, Outwith Highlands.

With Appendix Table XI it is a case of showing the amount by which Trading Revenue exceeded Trading Expenditure. For the closing years of the basic period this was about £1050 for the Hill farm - Highland types, about £1100 for the Hill farm - Outwith Highland type and £1450 for the Upland Stock type.

Some details of Trading Expenditure and Trading Revenue are shown in Appendix Table XII.

### The Place of Subsidies

The position for the identical accounts samples of periods of varying length is given in Appendix Table XIII.

Using the combined total of Cattle and Sheep subsidies:-

#### Hill Farms - Highland Area

Subsidies of this type making up 26% to 31% over the past 4 years.

#### Hill Farms - Outwith Highland Area

Comparable figures to the above are 20% to 24%.

#### Upland Stock

Comparable figures to the above are 18% to 22%.

-----oOo-----

### LIVESTOCK WITH ARABLE

The identical sample of accounts covers a 10 year period (1957-58 to 1966-67) for 15 farms, with, in addition, 13 of these also available for 1967-68.

These are mainly lowground non-dairying farms with a considerable part of their income from crop but also with varied and sometimes quite important cattle and sheep enterprises. Other features are that they are not usually on best quality arable land and that the potato crop, including the seed crop, is of some importance. The price obtained for that crop would be an important factor in affecting profits within this farm type.

A summary of Appendix Table XIV is:-

Number of farms	15
Average size - acres	186
Surplus. Annual Average. 10 year period	£741
Surplus. 1966-67	£339
Surplus. 1967-68(i)	£1054

(i) On 13 farms only.

The Appendix Table XIV shows the year by year fluctuations in Profit and Surplus over a 10-year basic period and also for 1967-68. Over that period the average annual Surplus (which is arrived at after having paid farmer and wife for their manual work) was £741, with the 1967-68 year at £1054 (potato crop harvest of 1967) appreciably better than that.

Appendix Table XV shows the Surplus over the opening 3 years of the basic period and similarly for the closing 3 years, with comparable figures given for the years of 1966-67 and 1967-68.

Some detail of the Trading Expenditure and Revenue is given in Appendix Table XVI for the opening and closing years of the 10 year period and for 1967-68.

Finally, taking only the straight-forward figures of Trading Revenue and Trading Expenditure i.e. omitting purchases and sales of capital equipment, the figures, extracted from Appendix Table XV are:

	Average Opening <u>3 years</u> £	Average Closing <u>3 years</u> £	Year <u>1966-67</u> £	Year <u>1967-68</u> £
Trading Revenue	10654	11445	11097	11536
<u>Less</u> Trading Expenditure	<u>8737</u>	<u>9665</u>	<u>8875</u>	<u>9654</u>
Balance	<u>£1917</u>	<u>£1780</u>	<u>£2222</u>	<u>£1882</u>

This 'Balance' figure, which ignores rises or falls in the stock and crop valuations during any year, represents approximately the amount remaining to meet capital expenditure, pay income tax, live and save. The £1882 for 1967-68 was rather below the £2222 of the previous year, but fairly close to the average for the closing 3 years of the basic period.

## APPENDIX TABLE I

PROFITABILITY OF THE SAME DAIRY FARMS OVER 12 YEARSProfit and Surplus Figures for Identical Samples in Three Size GroupsFigures are 'Per Farm'

	<u>19 Farms</u>			<u>17 Farms</u>			<u>12 Farms</u>		
	<u>UP TO 125 ACRES</u>		<u>No. of Dairy Cows(a)</u>	<u>126 TO 200 ACRES</u>		<u>No. of Dairy Cows(a)</u>	<u>OVER 200 ACRES</u>		<u>No. of Dairy Cows(a)</u>
	<u>Profit</u>	<u>Surplus</u>		<u>Profit</u>	<u>Surplus</u>		<u>Profit</u>	<u>Surplus</u>	
	£	£		£	£		£	£	
1956-57	847	346	26	1073	571	42	2198	1758	61
1957-58	693	159	26	1359	825	43	2518	2050	64
1958-59	804	168	26	1455	887	43	2396	1894	61
1959-60	1033	388	26	1405	818	44	2537	1983	65
1960-61	959	219	28	1462	794	45	2083	1470	67
1961-62	765	(-) 18	29	1273	580	46	2028	1415	68
1962-63	724	(-) 82	29	834	74	46	1725	1042	70
1963-64	466	(-) 337	30	844	78	48	1443	766	71
1964-65	847	14	30	1495	656	47	2376	1670	72
1965-66	906	14	31	1175	255	49	2409	1587	73
1966-67	801	(-) 147	31	1440	431	50	2320	1396	75
1967-68	862	(-) 115	32	1697	664	49	3055	2111	76
Av. over 12 years	<u>£809</u>	<u>£51</u>		<u>£1293</u>	<u>£552</u>		<u>£2257</u>	<u>£1595</u>	
Av. Size of Farm	72 ac.			156 ac.			282 ac.		

(a) Average of O.V. and C.V. numbers.

## APPENDIX TABLE II

DAIRY FARMS: UP TO 125 ACRES - AVERAGES PER FARMFARM ACCOUNT SUMMARY

	<u>3 Year Average</u>	<u>3 Year Average</u>	<u>Year</u>	<u>Year</u>
	1956-57	1963-64	1966-67(c)	1967-68
	1957-58	1964-65		
	<u>1958-59</u>	<u>1965-66</u>		
Number of Farms	23	23	22	19
	£	£	£	£
Opening Valuation (a)	2632	3065	3650	3857
Trading Expenditure	3435	4389	4739	4929
Depreciation Equipment	<u>290</u>	<u>397</u>	<u>446</u>	<u>425</u>
TOTAL	6357	7851	8835	9211
PROFIT	804	789	753	862
<u>Less Farmer and Wife Manual Work</u>	<u>582</u>	<u>863</u>	<u>958</u>	<u>978</u>
SURPLUS	<u>£222</u>	<u>-</u>	<u>-</u>	<u>-</u>
Trading Revenue (b)	4513	5493	5801	6191
Closing Valuation (a)	<u>2648</u>	<u>3147</u>	<u>3788</u>	<u>3882</u>
TOTAL	7161	8640	9589	10073
LOSS	-	-	-	-
DEFICIT	<u>-</u>	<u>£74</u>	<u>£205</u>	<u>£116</u>

- Notes:
- (a) Stock and Crop.
  - (b) Including certain transfers to domestic account.
  - (c) Stock and Crop revalued at opening and closing dates.



APPENDIX TABLE IIIDAIRY FARMS: 126 TO 200 ACRES - AVERAGES PER FARMFARM ACCOUNT SUMMARY

	<u>3 Year Average</u>		<u>3 Year Average</u>	
	1956-57	1963-64	Year	Year
	1957-58	1964-65	1966-67 (c)	1967-68
	<u>1958-59</u>	<u>1965-66</u>		
Number of Farms	24	24	22	17
	£	£	£	£
Opening Valuation (a)	4332	4932	5877	6041
Trading Expenditure	5868	6818	7219	7228
Depreciation on Equipment	<u>407</u>	<u>535</u>	<u>561</u>	<u>617</u>
TOTAL	10607	12285	13657	13886
PROFIT	1257	1084	1233	1697
<u>Less</u> Farmer and Wife Manual Work	<u>549</u>	<u>849</u>	<u>1027</u>	<u>1033</u>
SURPLUS	<u>£708</u>	<u>£235</u>	<u>£206</u>	<u>£564</u>
Trading Revenue (b)	7444	8308	8718	9460
Closing Valuation (a)	<u>4420</u>	<u>5061</u>	<u>6173</u>	<u>6123</u>
TOTAL	11864	13369	14891	15583
LOSS	-	-	-	-
DEFICIT	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

- Notes: (a) Stock and Crop.  
 (b) Including certain transfers to domestic account.  
 (c) Stock and Crop revalued at opening and closing dates.

## APPENDIX TABLE IV

## DAIRY FARMS: OVER 200 ACRES - AVERAGES PER FARM

## FARM ACCOUNT SUMMARY

	<u>3 Year Average</u>			<u>3 Year Average</u>			
	1956-57	1957-58	1958-59	1963-64	1964-65	Year	Year
				1965-66	1966-67(c)	1967-68	
Number of Farms	16			16	14	12	
	£			£	£	£	
Opening Valuation (a)	6572			8277	10524	10599	11400
Trading Expenditure	8331			11219	11355	12037	12882
Depreciation on Equipment	707			1069	1220	1242	1287
TOTAL	15610			20564	25099	23878	25569
PROFIT	2335			1908	2184	2184	3055
<u>Less Farmer and Wife Manual Work</u>	470			746	935	935	944
SURPLUS	<u>£1865</u>			<u>£1162</u>	<u>£1249</u>	<u>£1249</u>	<u>£2111</u>
Trading Revenue (b)	11106			13811	14136	14982	16579
Closing Valuation (a)	6838			8661	10726	11080	12045
TOTAL	17944			22472	24862	26062	28624
LOSS	-			-	-	-	-
DEFICIT	-			-	-	-	-

- Notes: (a) Stock and Crop.  
 (b) Including certain transfers to domestic account.  
 (c) Stock and Crop revalued at opening and closing dates.

## APPENDIX TABLE V

OPENING AND CLOSING YEARS OF BASIC 10 YEAR PERIOD1956-57 and 1965-66SOME DETAIL OF TRADING EXPENDITURE AND REVENUE

	PER FARM					
	<u>UP TO 125 ACRES</u>		<u>125 TO 200 ACRES</u>		<u>OVER 200 ACRES</u>	
	<u>1956-57</u>	<u>1965-66</u>	<u>1956-57</u>	<u>1965-66</u>	<u>1956-57</u>	<u>1965-66</u>
Feeding Purchased	£1440	£2127	£2273	£2987	£2139	£3498
Labour: Hired and Family	564	668	1245	1428	2182	2676
Rent	110	218	197	387	302	669
All Other Trading Expenditure	<u>1190</u>	<u>1624</u>	<u>2109</u>	<u>2289</u>	<u>3293</u>	<u>4569</u>
Total Trading Expenditure	<u>£3304</u>	<u>£4637</u>	<u>£5824</u>	<u>£7091</u>	<u>£7916</u>	<u>£11412</u>
Sales of Cattle	£ 436	£ 888	£ 899	£1563	£1369	£2639
Sales of Milk	2919	3783	4772	5768	6512	9000
Sales of Pigs, Poultry and Eggs	492	635	626	427	338	339
All Other Trading Revenue	<u>556</u>	<u>477</u>	<u>966</u>	<u>868</u>	<u>2353</u>	<u>2246</u>
Total Trading Revenue	<u>£4403</u>	<u>£5783</u>	<u>£7263</u>	<u>£8626</u>	<u>£10572</u>	<u>£14224</u>
Difference - T.R. less T.E.	<u>£1099</u>	<u>£1146</u>	<u>£1439</u>	<u>£1535</u>	<u>£2656</u>	<u>£2812</u>
DEPRECIATION ON MACHINERY AND FIXED EQUIPMENT	£304	£396	£418	£546	£750	£1089

APPENDIX TABLE VI

HILL FARMS - HIGHLAND AREA

Figures for the same 14 farms for 10 years with  
1 farm less for 1967-68

Average number per farm of:-	<u>Per Farm</u>				
	<u>Ewes</u>	<u>Cows</u>	<u>H.S.S.(i)</u>	<u>Profit</u> £	<u>Surplus</u> £
1957-58	800	12	-	1550	1129
1958-59	829	15	-	1043	586
1959-60	847	13	-	869	396
1960-61	838	14	3/-	746	266
1961-62	859	14	3/6	708	211
1962-63	859	14	6/-	468	(-) 44
1963-64	856	15	10/-	743	272
1964-65	855	15	25/-	1420	945
1965-66	860	15	20/-	858	363
1966-67	864	17	21/-	528	5
Average. 10 years	-	-	-	893	413
1967-68 (ii)	859	19	23/-	1013	413

(i) H.S.S. Rate per ewe of Hill Sheep Subsidy included  
in Revenue

(ii) 13 farms only.

APPENDIX TABLE VII

HILL FARMS - OUTWITH HIGHLAND AREA

Figures for the same 20 farms for 5 years with  
2 farms less in 1967-68

Average number per farm of:	<u>Ewes</u>	<u>Cows</u>	<u>H.S.S.(i)</u>	<u>Per Farm</u>	
				<u>Profit</u> £	<u>Surplus</u> £
1962-63	840	17	6/-	726	509
1953-64	832	18	10/-	733	540
1964-65	841	21	25/-	1695	1519
1965-66	837	20	20/-	1342	1167
1966-67	844	22	21/-	804	613
Average. 5 years	-	-	-	1060	870
1967-68 (ii)	883	25	23/-	958	737

(i) H.S.S. Rate

(ii) 18 farms only.

APPENDIX TABLE VIII

UPLAND STOCK FARMS

Figures for the same 7 farms for 6 years

Average number per farm of:	<u>Ewes</u>	<u>Cows</u>	<u>H.S.S.(i)</u>	<u>Per Farm</u>	
				<u>Profit</u> £	<u>Surplus</u> £
1962-63	343	26	6/-	707	254
1963-64	353	27	10/-	1090	643
1964-65	346	29	25/-	1234	796
1965-66	349	32	20/-	1479	973
1966-67	358	34	21/-	1045	531
Average. 5 years	-	-	-	1111	639
1967-68	356	37	23/-	1205	673

## APPENDIX TABLE IX

HILL FARMS: HIGHLAND AREA: AVERAGES PER FARMFARM ACCOUNT SUMMARY

	<u>3 year Average</u> <u>1957-58 to 1959-60</u>	<u>3 year Average</u> <u>1964-65 to 1966-67</u>	<u>Year 1967-68</u>
Number of Farms	14	14	13
Opening Valuation (a)	£4645	£5826	£7139
Trading Expenditure	2773	3388	3489
Depreciation on Equipment	<u>193</u>	<u>247</u>	<u>276</u>
TOTAL	7611	9461	10904
PROFIT	1154	936	1013
<u>Less</u> Farmer and Wife Manual Work	<u>450</u>	<u>497</u>	<u>600</u>
SURPLUS	<u>£704</u>	<u>£439</u>	<u>£413</u>
Trading Revenue (b)	4031	4448	4902
Closing Valuation (a)	<u>4734</u>	<u>5949</u>	<u>7015</u>
TOTAL	8765	10397	£11917
LOSS	-	-	-
DEFICIT	<u>-</u>	<u>-</u>	<u>-</u>

(a) Stock and Crop

(b) Including certain transfers to domestic account.

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APPENDIX TABLE XHILL FARMS: OUTWITH HIGHLANDS: AVERAGES PER FARMFARM ACCOUNT SUMMARY

	2 year Average <u>1962-63-64</u>	2 year Average <u>1965-66-67</u>	<u>Year 1967-68</u>
Number of Farms	20	20	18
Opening Valuation (a)	9402	9990	11074
Trading Expenditure	4453	4748	5495
Depreciation on Equipment	<u>237</u>	<u>231</u>	<u>283</u>
TOTAL	14092	14969	16852
PROFIT	729	1073	958
<u>Less</u> Farmer and Wife Manual Work	<u>205</u>	<u>183</u>	<u>221</u>
SURPLUS	<u>£524</u>	<u>£890</u>	<u>£737</u>
Trading Revenue (b)	5420	5853	6410
Closing Valuation (a)	<u>9401</u>	<u>10189</u>	<u>11118</u>
TOTAL	14821	16042	17528
LOSS	-	-	-
DEFICIT	<u>-</u>	<u>-</u>	<u>-</u>

(a) Stock and Crop

(b) Including certain transfers to domestic account.



APPENDIX TABLE XI

TRADING REVENUE LESS TRADING EXPENDITURE

IN £'s PER FARM

	Opening Years <u>3 Year Average</u>	Closing Years <u>3 Year Average</u>	<u>Year 1967-68</u>
<u>Hill. Highland</u>			
Trading Revenue	4031	4448	4902
<u>Less</u> Trading Expenditure	<u>2773</u>	<u>3388</u>	<u>3765</u>
Balance	<u>£1258</u>	<u>£1060</u>	<u>£1137</u>
	2 Year Average <u>1962-63-64</u>	2 Year Average <u>1965-66-67</u>	<u>Year 1967-68</u>
<u>Hill. Outwith Highlands</u>			
Trading Revenue	5420	5853	6410
<u>Less</u> Trading Expenditure	<u>4453</u>	<u>4748</u>	<u>5495</u>
Balance	<u>£967</u>	<u>£1105</u>	<u>£915</u>
	2 Year Average <u>1962-63-64</u>	2 Year Average <u>1966-67-68</u>	<u>Year 1967-68</u>
<u>Upland</u>			
Trading Revenue	4715	5523	5843
<u>Less</u> Trading Expenditure	<u>3372</u>	<u>4073</u>	<u>4197</u>
Balance	<u>£1343</u>	<u>£1450</u>	<u>£1646</u>

## APPENDIX TABLE XII

OPENING AND CLOSING YEARS OF BASIC PERIOD1957-58 and 1966-67 or 1962-63 and 1966-67Some Detail of Trading Expenditure and Revenue

	HILL HIGHLAND		HILL OUTWITH HIGHLANDS		UPLAND STOCK	
	<u>1957-58</u>	<u>1966-67</u>	<u>1962-63</u>	<u>1966-67</u>	<u>1962-63</u>	<u>1966-67</u>
	£	£	£	£	£	£
Grazing (mainly wintering)	225	272	305	316	37	54
Labour: Hired and Family	843	1104	1401	1589	817	808
Rent	144	220	538	511	275	327
All Other Trading Expenditure	<u>1658</u>	<u>1781</u>	<u>2216</u>	<u>2389</u>	<u>2216</u>	<u>2760</u>
TOTAL TRADING EXPENDITURE	<u>2870</u>	<u>3377</u>	<u>4460</u>	<u>4805</u>	<u>3345</u>	<u>3949</u>
Cattle	563	370	756	913	1448	1229
Cattle Subsidies	177	344	304	459	526	823
Sheep and Wool	<del>3350</del> <del>2209</del>	2140	<del>3828</del> <del>3072</del>	3149	<del>2118</del> <del>1816</del>	2134
Hill Sheep Subsidy	-	906	246	863	92	329
All Other Trading Revenue	<del>447</del> <del>1588</del>	<u>278</u>	<del>250</del> <del>1066</del>	<u>253</u>	<del>437</del> <del>739</del>	<u>685</u>
TOTAL TRADING REVENUE	<u>4537</u>	<u>4038</u>	<u>5444</u>	<u>5637</u>	<u>4621</u>	<u>5200</u>
Difference: T.R. less T.E.	<u>1667</u>	<u>661</u>	<u>984</u>	<u>832</u>	<u>1276</u>	<u>1251</u>
Depreciation on Machinery and Fixed Equipment	188	273	213	247	324	434

## APPENDIX TABLE XIII

THE PLACE OF CATTLE AND SHEEP SUBSIDIES IN REVENUE

(The % figure is the total of Hill Cow Subsidy, Calf Subsidy and Hill Sheep Subsidy as a % of Trading Revenue. Beef Cow and Upland Ewe Subsidy for 1967-68 are negligible or absent).

(Figures are in £'s per Farm)

<u>FARM TYPE</u>	<u>HILL HIGHLAND</u>			<u>HILL OUTWITH HIGHLANDS</u>			<u>UPLAND STOCK</u>		
	Subsidies:-			Subsidies:-			Subsidies:-		
	<u>Cattle</u>	<u>Sheep</u>	<u>%</u>	<u>Cattle</u>	<u>Sheep</u>	<u>%</u>	<u>Cattle</u>	<u>Sheep</u>	<u>%</u>
	£	£		£	£		£	£	
1957-58	177	-	3.9						
1958-59	209	-	5.4						
1959-60	234	-	6.4						
1960-61	277	127	10.4						
1961-62	294	149	11.2						
1962-63	275	254	13.9	<del>6088</del>	<del>4912</del>	10.1	<del>3679</del>	<del>646</del>	13.4
1963-64	290	423	18.1	<del>6689</del>	<del>8184</del>	13.8	3010	1081	12.1
1964-65	281	1061	27.9	<del>7531</del>	<del>20790</del>	22.4	<del>3869</del>	<del>2804</del>	18.6
1965-66	315	859	26.1	<del>8464</del>	<del>16364</del>	20.5	5267	2247	19.2
1966-67	344	906	31.0	<del>9180</del>	<del>17257</del>	23.4	5764	2601	22.2
1967-68	444	971	28.9	<del>9847</del>	<del>17699</del>	23.9	6450	2608	22.1

*See Errata slip enclosed at beginning of this Report for amended figures replacing those deleted below.*

APPENDIX TABLE XIV

LIVESTOCK WITH ARABLE FARMS

Figures for the same 15 farms for 10 years, with  
2 farms less for 1967-68

	<u>Acreage</u>	<u>Potato acreage (i)</u>	<u>Per Farm</u> <u>Profit</u> £	<u>Surplus</u> £
1957-58	184	13	1932	1470
1958-59	185	13	1725	1224
1959-60	187	13	867	354
1960-61	190	14	1283	799
1961-62	186	13	1982	1485
1962-63	186	14	1626	1121
1963-64	186	14	803	265
1964-65	187	14	670	93
1965-66	186	13	853	258
1966-67	186	13	981	339
Average	-	-	1272	741
1967-68 (ii)	198	14	1752	1054

(i) Including 'potato land let'

(ii) 13 farms only.

## APPENDIX TABLE XV

LIVESTOCK WITH ARABLE FARMS - AVERAGES PER FARMFARM ACCOUNT SUMMARY

(Figures are per farm)

	3 Year Average <u>1957-58 to 1959-60</u>	3 Year Average <u>1964-65 to 1966-67</u>	Year <u>1966-67</u>	Year <u>1967-68</u>
Number of Farms	15	15	15	13
	£	£	£	£
Opening Valuation (a)	5803	6381	6115	5692
Trading Expenditure	8737	9665	8875	9654
Depreciation on Equipment	<u>570</u>	<u>693</u>	<u>731</u>	<u>751</u>
TOTAL	15110	16739	15721	16097
PROFIT	1508	835	981	1752
<u>Less Farmer and Wife Work</u>	<u>492</u>	<u>605</u>	<u>642</u>	<u>698</u>
SURPLUS	<u>£1016</u>	<u>£230</u>	<u>£339</u>	<u>£1054</u>
Trading Revenue (b)	10654	11445	11097	11536
Closing Valuation (a)	<u>5964</u>	<u>6129</u>	<u>5605</u>	<u>6313</u>
TOTAL	16618	17574	16702	17849
LOSS	-	-	-	-
DEFICIT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(a) Stock and Crop

(b) Including certain transfers to domestic account.

APPENDIX TABLE XVI

LIVESTOCK WITH ARABLE FARMS

SOME DETAIL OF TRADING EXPENDITURE AND REVENUE

Opening and Closing Years of a Basic 10 year period and also 1967-68

(Figures are per farm)

	<u>1957-58</u>	<u>1966-67</u>	<u>1967-68</u>
	£	£	£
Feeding Purchased	558	685	420
Labour: Hired and Family	1544	1622	1679
Rent	245	424	511
All Other Trading Expenditure	<u>6483</u>	<u>6144</u>	<u>7044</u>
TOTAL TRADING EXPENDITURE	<u>8830</u>	<u>8875</u>	<u>9654</u>
	£	£	£
Cattle	5075	5247	5897
Sheep and Wool	1800	1259	1348
Pigs, Poultry and Eggs	446	198	149
Potatoes	1720	1552	1625
All Other Crop Revenue	1710	2611	2326
All Other Trading Revenue	<u>408</u>	<u>230</u>	<u>191</u>
TOTAL TRADING REVENUE	<u>11159</u>	<u>11097</u>	<u>11536</u>
Difference. T.R. less T.E.	<u>£2329</u>	<u>£2222</u>	<u>£1882</u>
Depreciation on Machinery and Fixed Equipment	£550	£731	£751