FARM BUSINESS SURVEY

2013/14

INSTRUCTIONS FOR COLLECTING THE DATA

AND

COMPLETING THE FARM RETURN

Department for Environment Food & Rural Affairs,
Farming Statistics: with Rural Business Research
May2014

THE FARM BUSINESS SURVEY IN ENGLAND AND WALES 2013/14

Contents

(3) Appendices

FBS TIMETABLE 2013/14			
	Activity	**Date**	**Responsibility / Date completed**
1	Circulation of Census data showing farm availability for recruitment purposes by GOR region and accounting Centre plus request forms for completion by Contractor and Centre stating sample recruitment requirements by farm type and size	Mid-June 2013	Defra
2	Signed confidentiality statements for all members of staff within the contractor having access to individual farm census data	End-July 2013	Contractor
3	Completed request forms for sample recruitment lists returned to Defra.	End-July 2013	Contractor
4	Main list of names and addresses and data for sample replacement sent to Contractor by e-mail. Issue guidance notes to Contractor on procedures for releasing June survey data	End-September 2013	Defra
5	Circulation of draft version of the FAS 24 by e-mail to the Contractor for comments Final FAS 24 email to Contractor	End Sept 2013 End-October 2013	Defra,
6	Blank recruitment and exit spreadsheets circulated	31 October 2013	Defra
7	Draft instructions circulated to the Contractor for comments – by email	End October 2013	Defra,
8	Paper version of FAS 24 dispatched to Centres, as requested	End-November 2013	Defra,
9	Working version of instructions for the running of the Farm Business Survey – by email including Updated draft version of Appendix 11* and final versions of Appendices 11, 12 and 17 issued along with updated indices for Glass and Buildings & Works Depreciation.	End-November 2013, followed by updates as necessary	Defra,
10	Provision of electronic field book	9th December 2013	Contractor
11	List of current, and recently deleted, validation / tolerance checks	Mid-January 2014 followed by updates as necessary	Contractor
12	Validation module for checking FBS data through the	End-January 2014	Contractor

	integrated system		
13	First day for submission of test accounts to prove procedures and provide feedback reports to Centres Contractor will be responsible for submitting test data to Defra to ensure adequate coverage of farm typologies when testing	4th February 2014	Contractor
14	Live processing commences	4th March 2014	Contractor
15	Listing of all farm accounts received to date, including FBS and FADN** status and farm typology. Listing of outcome of latest validation run for FBS. Detailed listing of all FBS failures by check number.	Within 3 working days of receipt	Contractor
16	Report of latest FADN validation outcome by farm number for each Centre	Within 10 working days of receipt	Contractor
17	Summary report of number of farms submitted, which are clean in the FBS, clean in FADN, compared to quota, by farm type, for each Centre and by Centre, GOR and England	Weekly return on Fridays	Contractor
18	Final date for all core-FBS accounts to be submitted to DEFRA	6.00 am 30th September 2014	Contractor
19	Region reports: Arrange for confidentiality statement to be signed by those responsible for producing the Region reports	1st September 2014	Defra
20	Finalise data requirements for regional reports	1st October 2014	Contractor
21	Completed non co-operators returns	31st October 2014	Contractor
22	Data for regional reports.	Mid-October 2014	Defra
23	Completed exit returns	30th November 2014	Contractor
24	Publication of regional reports. Report for each Region of England as specified in contract.	End-January 2015	Contractor
25	Destruction of name and address lists sent out at beginning of the survey year for recruiting purposes. The data can be returned or a certificate sent stating	End-December 2014	Defra & Contractor

	that all data have been destroyed.		
26	Provision of database to archive store	End December 2014	Defra

* This will be dependent on publication of final subsidy rates by Defra
** The date the FADN system opens to receive accounts from member states is outside of Defra control. It is likely to be May but attempts are being made to bring the date forward.

INTRODUCTION AND GENERAL INSTRUCTIONS

History / Background

1. The Farm Business Survey was initiated in 1936 as the Farm Management Survey with the objective of systematically collecting, for the first time, information on the economic condition of farming in England and Wales. The objectives of the Survey were and still are "to make available, year by year, such information as would provide a statistical basis for the study of the economic problems of the industry .... To provide a useful indication of the level of farm incomes each year and, over a series of years, to indicate the general trend, thereby enabling more reliable judgements on these matters to be formed."

Survey Arrangements in England and Wales

2. Within the United Kingdom, there are separate Farm Business Surveys in each of the four countries. There is, however, a good deal of co-ordination between the four Agricultural Departments, the arrangements between England and Wales being virtually identical. Each year data are obtained from over 2,504 farms in England and Wales on a uniform basis by seven Universities and Colleges of Agriculture. The four English universities and two Colleges have organised themselves into a consortium which is responsible for gathering a quota of farm accounts within the English Government Office Regions as follows:

Government Office Regions	Commissioned Quota of Farm Accounts
North East, Yorkshire & the Humber	172
North West	152
East Midlands	153
West Midlands	123
East of England	177
London & South East	131
South West	226

A further 253 farms will be selected across the EU super regions and a further 513 where the region is not specified.

Wales	550

3. In order to ensure that a consistent approach is adopted nation-wide there is a considerable amount of liaison between the Department and the Consortium and also amongst the University/College Centres themselves. On a formal level the FBS Technical Group usually meets around twice a year to monitor the running of the Survey and to iron out any problems which have arisen. To examine particular problems, especially those of a fairly technical nature such as sample design, smaller Working Groups may be set up to consider the issues involved, and to make recommendations to the FBS Technical Group.

Choosing the Sample

4. The main criteria for the selection of farms are as follows:

(a) The farms should be full-time or part-time commercial undertakings of a size of at least 25,000 Euros of Standard Output. Farmers solely engaged in rearing on contract and other similar businesses should be included only if they are a common feature of agriculture in the area

(b) The allocation of individual samples between each type has been agreed in the contracts. From this basis Centres can specify how many of each type and size of farm they require on the recruitment list.

(c) Farms must have account year ending dates between 31st December and 5th April and be willing to have their accounts sent to Brussels.

Collection of Data

5. The detailed instructions are intended as a guide for "best practice" accounting principles to adopt. The instructions aim to define clearly the exact components of each item, and give the answer to detailed methodological questions. Great trouble is taken to achieve consistency across the country and the general accounting principles and methodology should be adhered to in all circumstances. However, the instructions are not intended to be prescriptive to the extent of imposing excessive burdens on Research Officers.

Every effort should be made to complete the record, using estimates where all the information is not available or could not be ascertained without a disproportionate expenditure of time and effort. Research Officers are asked to make detailed checks in order to test the accuracy of information supplied by farmers.

6. The obligations of each Centre responsible for gathering farm accounts data relate to the form in which the data must be submitted and the date by which it must reach DEFRA. The actual arrangements for the collection of accounts data at the farm level are in the hands of the individual Accounting Centres, therefore practices may in some cases vary from one province to another.

7. The following information is collected from each farm:

(a) Physical details of area and stocking, together with production and sales for most commodities.
(b) Financial data on sales of the main agricultural and horticultural products and expenditure on labour, rent, feed, seed, fertilisers and miscellaneous items.
(c) Estimates of the value of farm products used on the farm e.g. feed, seed, and in the farmhouse.
(d) Opening and closing valuations of crops, livestock, machinery, equipment and other inputs.
(e) Data on assets and liabilities
(f) Details of capital investment in the accounting year, including that by landlords.
(g) For farms available for the FADN sample, information on grazing days, feed allocation, buildings depreciation and insurance of farm buildings by the occupier.
(h) An indication of the level of off-farm incomes and the hours spent on non-farming activities.

Completion of Records

Integrated system (IS)
An Integrated System (IS) for the completion of the FAS24 has been developed by a collaboration of Defra and the Universities and Colleges who are involved in the collection of the data. It consists of a number of modules.

- Electronic FAS24
- Accounts Analysis Programme (AAP)
- Validation module
- Email module

Electronic FAS24
This module holds all the FAS24 sheets containing the DEFRA data, but also contains a number of additional sheets and working tables which calculate figures for inclusion within the FAS24 i.e. machinery schedules for the calculation of depreciation, enterprise straw output, livestock age group average numbers and breeding livestock stock appreciation (BLSA). Where possible the spreadsheet links together the various section of the FAS24 to ensure consistency and improve efficiency. Column A of each worksheet contains quick links to other pages within the Integrated System.

Account Analysis Programme (AAP)
A spreadsheet which is available to Centres to carry out the analysis of the raw accounting information from the co-operators' records. It sorts and adds items of the same analysis description, and generates the cost and revenue totals for entry into the FAS24.
The module can also copy these total figures (financial or physical) to Centre specified locations within the FAS24.

Validation
To ensure good data quality the Validation module is available to check the data against the Defra held master checks.

Email module
This is a conversion module that converts the defined areas of the Excel spreadsheet into the correct data format for submission to Defra. Areas of the IS FAS24 are selected to be converted into a csv format as specified in Appendix 22.

The IS FAS24 has been ordered differently to the printed FAS24 to enable a more logical completion, a move away from the alphabetically ordered Sections.

After the cover and general farm characteristics of Section A, the IS FAS24 is ordered to show the core output sections first, then core inputs, additional module details and finally reference sheets. Within each group, any working sheets are present along side, and navigation is aided by colour coding the sheet tabs, and hyperlinks on each sheet. In addition cells are colour coded to identify cells for data entry or which contain calculations or linked to another cell in the spreadsheet.

Guidance notes for the completion of the Electronic FAS24 are included within the instructions as text boxes for each Section of the Core FAS24 and for each Module.

8. The whole account is completed using principles of accruals (or financial) accounting. Revenues are recorded as they are earned and costs are recorded as they are incurred, not as monies are received or paid. This allows the income earned to be properly matched against the resources used in production. Since 1993/94 all direct subsidies and compensation to crop and livestock producers are recorded on the ‘as due’ basis. This ensures that all subsidies are recorded in the accounting year which contained the start of the subsidy scheme year under which they are due: e.g. Single Payment Scheme 2010 included with Farm Business Survey data 2010/11.

9. Only whole numbers should be entered except where decimal points are provided. All money values are to be given to the nearest pound. Area in hectares is to be given to 2 decimal places and production in tonnes is to be given to one decimal place. Average numbers for livestock are to be given to one decimal place, except for poultry which are to be given in whole numbers.

10. Trading in Euros: Where transactions have been made in Euros, these should be converted to sterling. For general trading transactions, conversion should be made using the exchange rate at the time of the transaction. Any balances held in Euros at the financial year end should be converted to sterling at the exchange rate of the day the balance sheet is finalised. Any profit or loss made from changing currency should be recorded in Section K.

11. In cases where the answer may be positive or negative a space is provided for the appropriate sign to be entered (e.g. D line 17). Where an answer is negative, a minus sign must be entered: otherwise all figures will be assumed to be positive.

12. Income from sales should be entered gross **before** deduction of marketing charges. Subsidies and compensation should be shown separately. Payments should be entered at the net delivered price **before** the deduction of any subsidy.

13. In the case of contra items, which are settled by payment of the difference, the items must be allocated into their respective gross receipts and gross payments.

14. Allowance for sundry debtors and creditors must be made at the beginning and end of year, under the appropriate revenue or expenditure heading.

15. Gifts, allowances and household or private consumption of **home-grown** produce should be entered under "Farmhouse consumption and benefits in kind" (Section C2) or equivalent headings. Gifts and private consumption of **purchased** goods and services should be entered in Section F1 col. 5 at their estimated market value. Allowances to labour must be included as a cost (see Section B, paragraph 19).

16. Capital expenditure on fixed assets and improvements should be included in Section G. Where current costs, e.g. labour and materials, have been used to produce fixed assets or to make a major repair and have **not** been excluded from expenditure, an equivalent value (i.e. the sum of the relevant costs) must be entered in the miscellaneous revenue section in section I. Whether or not such costs have been deducted their total will also be included (under gross investment) in the capital of the farm in Section G. This does not apply to small scale land improvement schemes (surface treatment) which are treated as current costs and are excluded from the capital section.

Submission of Records

17. The identity of each farm is held in strict confidence by the Consortium and the information is completely anonymous when sent to the Department.

18. The primary booklet (the FAS 24) is provided by the Department as required. The FAS 24 is provided in electronic form as an Excel spreadsheet in addition to the booklets. The information in the FAS 24 must be sent by e-mail which can then be processed directly. Accounts should be sent to the Department in small batches as soon as they are prepared.

19. The number of accounts and the date by which they are required is specified in the annual schedules of work agreed with the Consortium. Centres should ensure that the required number of **clean** accounts reach Defra on, but preferably before, the appropriate closedown dates (see FBS Timetable). Centres are advised that to be sure of meeting the closedown dates they should allow at least three working days for "cleaning". Wherever possible, Centres should ensure that the maximum number of records for inclusion are submitted by the appropriate closedown.

20. The fullest possible use should be made of the comments box at the front of the FAS 24. A comment should be included for example, if there are any unusual values (pedigree stock, casualties, crop failure etc.), or if in the case of an identical sample there have been changes in basic information (form of business, area, type of tenure etc.). These comments should not be submitted to Defra as a matter of course, but the information will be useful in the event of a query.

Uses of FBS Data

21. After passing comprehensive credibility checks, data are weighted and combined to give average farm level results for England and Wales according to farm type, size and tenure. These results form the basis of the Department's contribution to “Agriculture in the United Kingdom”, which is published in March each year. Results for England are also published in the booklet “Farm Accounts in England” at the end of January each year.

22. There are numerous regular requests made for Survey results by bodies such as ADAS and the Agricultural Wages Board. Also, a large number of ad-hoc requests for FBS information are dealt with. These are often connected with answering Parliamentary Questions, Ministers' Correspondence and assessing the effects of policy changes.

23. Apart from these uses of FBS data, a regional report is produced for each Government Office Region, and the Department often receives requests for FBS data from researchers throughout the UK. There is also a significant commercial interest in Survey results from organisations such as the banks and from consultants.

Farm Accounts Data Network

24. The farm level data also provide the basis of our contribution to the Farm Accounts Data Network, thus providing a European dimension to the FBS. The Commission publish results for all Member States, as well as using them in their internal analyses for policy purposes.

25. Under the EC farm account regulations, the UK is obliged to provide the following quota of farm accounts:

	2009/10
England - North Region	420
- East Region	650
- West Region	430
Wales	300
Scotland	380
Northern Ireland	320
United Kingdom	2,500

26. In order to provide the EC with the optimal sample distribution, a plan for the selection of returning holdings is drawn up. This gives the procedures for the following: stratifying the field of survey in accordance with the Community typology of holdings, determining the selection rate chosen for each stratum for selecting returning holdings and the possible updating of the selection plan later. It also gives particulars of the statistical reference sources (i.e. the June Census), the probable period of validity of the selection plan and the breakdown of holdings in the field of survey classified in accordance with the Community typology of holdings (corresponding at least to the principal types) and the number of returning holdings to be selected for each of the strata adopted.

27. The Department also sends the Commission a report on the implementation of the selection plan. This includes the breakdown of the selected returning holdings by category of holding and also comments on the analysis of discrepancies recorded between the selection plan and the returning holdings selected, on the guidelines to be employed, on improving the selection for the subsequent accounting year, and on the precautions to be taken in weighting the accounting data.

28. The Commission publishes an annual report of farm income forecasts, comprising a chapter for each member state. The UK's contribution to the report includes forecasts of farm incomes based on the results from the previous year's Farm Business Survey.

Integrated System: Section A
Contains a mix of information which remains consistent from year to year (grid reference, county etc), which is brought forward from the previous year's spreadsheet, data which may need updating each year (tenure details) and a small amount of data from Sections C2 and C3 (cropped and grassland areas). In addition some non Defra data is shown (farm type and size). For new farms the data is entered manually by the Research Officer.

SECTION A - GENERAL CHARACTERISTICS

1. **Region (line 1), Government Office Region (line 60), County, Metropolitan County or Unitary Authority (line 2) and Accountancy Office Number (line 4):** see Appendix 1 for codes to be used.

NB: Accountancy Office Number: This will be used to direct all correspondence relating to that particular account, including the progress and validation reports.

2. **Farm Reference Number** (line 3):
This should be a unique five digit number. When a holding no longer forms part of the Survey the number of the holding which had been attributed to it may **not** be passed to another holding. If the holding in question should once more participate in the information network, it will keep its original number.

The first two digits will be the same as the accountancy office number (line 4), except in the following cases:

(a) Where a holding passes from one accountancy office to another the number entered at line 3 must remain unchanged (i.e. the old accountancy office number will be maintained), but line 4 will be the new accountancy office number.

(b) When a Centre reaches the 999 farm limit imposed by the present numbering system the accountancy office code portion of the farm reference number (the first two digits) should be replaced by the appropriate "Centre Code" shown below and subsequent recruits numbered 000 to 999:

This enables another 999 farms to be recruited, e.g. the numbering sequence for Newcastle will be 01998, 01999, 31000, 31001.... 31999. The true accountancy office code (e.g. 01) should continue to be shown in line A4.

(c) With the exception of Aberystwyth, when a Centre reaches the 999 limit on the new code the **<u>first</u>** digit of the Centre code should be increased by 1 (in the first case from 3 to 4). This digit should continue to be increased by 1 as each limit is reached.

e.g. the numbering sequence of Newcastle will be:

01998, 01999, 31000, 31001, 31002.......31999, 41000, 41001, 41002.......41999, 51000, 51001, 51002.......91999.

(d) For Aberystwyth the <u>second</u> digit of the Centre code should be increased by 1 as each limit is reached. The numbering sequence for Aberystwyth will therefore be:

10998, 10999, 11000, 11001, 11002.......11999, 12000, 12001, 12002.......12999, 13000, 13001, 13302.......29999.

The number allocated will be retained permanently except for exceptional circumstances. For example, when the farm is split into two or more units with more than one of these remaining eligible for the survey. Under these circumstances, the larger part will retain the original number and any other eligible farm will be allocated a new number.

3. **Accountancy office number (line 4)**

The current accountancy office number code should be recorded here at all times

Centre	Centre Code
Newcastle	31
Askham Bryan	32
Nottingham	34
Cambridge	35
Reading	37
Duchy College	39
Aberystwyth	11

4. **Year-Ending Date of Accounts (**line 5).

Indicate the last day of the accounting period using 2 digits to indicate the day and month, and 4 digits for the year, e.g. 31:12:2005 for 31st December 2005.

5. **Form of Business** (line 7)

One of the following codes should be used:

Code	Description
1	Sole Trader (incl. farmer and wife partnership)
2	Partnership (other family only)
3	Partnership (other)
4	Farming Company
5	Other

6. **Number of Agricultural Holdings within the Farm Business** (line 46).

This should give the number of holdings within the farm business. This question is intended to indicate the frequency of farm businesses with multiple holdings, and of those, how many holdings in the business. The information may be available from CPH numbers associated with the business, although it is left to the discretion of the RO as how best to gather the information. If the answer to A(46) is not known then the box should be left blank.

7. **Grid Reference** (line 8).

This should consist of two letters and two numbers. The letters represent the 100 km grid square and the numbers the 10 km grid square in which the farm (or the larger part of it) is situated. The grid reference can be obtained from the local 1:50,000 Ordnance Survey Map. See:
http://gridreferencefinder.com/#

8. **Less Favoured Areas** (line 37)

One of the following codes should be entered:

Code	Description
1	All land outside LFA
2	All land inside SDA
3	All land inside DA
4	50%+ in LFA of which 50%+ in SDA
5	50%+ in LFA of which 50% in DA
6	<50% in LFA of which 50%+ in SDA
7	<50% in LFA of which 50%+ in DA

The mapping tool includes boundaries for the LFA although some consultation with the farmer may be necessary to verify the extent to which the farm falls within the categories above.

9. **Altitude Code** (line 11).
This refers to the general altitude of the majority of the farm including sole rough grazings, but not shared rough grazings. It can be obtained from the local Ordnance Survey Map. One of the following codes should be entered:

Code	Description
1	Most of the holding below 300 m
2	Most of the holding at 300 m to 600 m
3	Most of the holding at 600 m or over
4	Data not available

10. **Assets and Liabilities Status** (line 12).
This refers to the status of data at Section G. One of the following codes must be entered:

Code	Description
0	Data unavailable or incomplete
1	Data complete
2	Data complete but subject to some estimation

Code 0 is only to be used for farms in Wales. Code 2 should only be used where it is impossible to obtain definitive information on the assets and liabilities of the co-operating farm, as it forms part of a significantly larger business and the data is not identified separately.

11. **Original Farm Reference Number** (line 13).
This line is no longer applicable as there are no longer any circumstances under which a farm number should be changed.

12. **Structural Fund Codes** (line 38).
This is required for the FADN and indicates the area that the farm falls into under the European Social Fund Programme 2007-2013. The codes are as follows:

Code 4: Convergence and Territorial Co-operation Programme (Wales only)
Code 5: Regional Competitiveness and Employment only (Wales only)
Code 6: Convergence Objective (Cornwall and Isles of Scilly only)
Code 7: neither convergence objective nor phasing in
Code 8: Phasing in (transitional funding for Merseyside and South Yorkshire as former Objective One areas.

13. **Year Account First Submitted to Defra** (line 35).
The entry shown in this line should be the calendar year during which the account was first submitted to the Department (e.g. if recruited for the 2013/14 accounting year, put 2014). The only exception is where a farm re-enters the Survey after an absence of 5 or more years, when the year of re-entry should be given. Where a farm leaves the Survey for less than 5 years or changes its tenure the original year of entry should still be entered.

An entry at A35 should be made for all farms. It should consist of 4 characters. For example, a farm entering the 2013/14 survey year whose account was submitted to DEFRA on 1st June 2014 would have an entry of 2014 in A35.

14. **Number of (Whole) Livestock Unit Grazing Days on Land not Included in the UAA** (line 36).
This is required on EC (FADN) available farms, and indicates the fodder availability from areas not included in the UAA, such as common shared grazings, forage rented for less than 12 months, and where stock are sent away on agistment. The total of such days should be converted into whole cow grazing days using the coefficients in appendix 8:

15. **Sugar Beet Entitlement** (line 63).
Enter here sugar beet entitlement owned by the farm referred to as contract tonnage entitlement (CTE) as allocated by British Sugar. This should be recorded as tonnes of adjusted sugar beet (i.e. at 16% sugar content).

The mapping tool issued in January 2006 provides assistance for completing lines 64 to 66.

16. **Rurality Land Classification Index** (line 64).
The area should be allocated to one of the following categories.:

Code	Rurality Land Classification
1	Urban > 10k – Sparse
2	Town and Fringe – Sparse
3	Village – Sparse
4	Hamlet & Isolated Dwellings – Sparse
5	Urban > 10k – Less Sparse
6	Town & Fringe – Less Sparse
7	Village – Less Sparse
8	Hamlet & Isolated Dwellings – Less Sparse

17. **River Basin Catchment Area** (line 65).
There are 11 Water Framework Directive Basins which can be identified by their name and numeric identifier in the mapping tool. The basins are as follows:

Code	River Basin Catchment Area
1	Solway Tweed
2	Northumbria
3	Humber
4	Anglian
5	Thames
6	South East
7	South West
8	Severn
9	Western Wales
10	Dee
11	North West

18. **Joint Character Area** (line 66).
These are an amalgamation of Countryside Character Areas (Countryside Agency) and Natural Areas (English Nature) and are based on the distribution of geographic / agricultural / wildlife, etc. features, and on the land use pattern and human history of each area. There are 159 categories which are listed in appendix 2.

19. **Centre for Ecology and Hydrology Code (CEH) (line 70)**
This is an environmental classification, based on a wide range of published climatic, topographical, geological and other structural variables. The system allocates each of the 240,000 1-km squares in Great Britain into one of 32 environmental land classes. The system is used to stratify the sample for the Countryside Survey and categorising FBS farms by this system will enable data results from the two surveys to be linked. Appendix 23 lists the CEH classifications. It should be noted that the land classification is a statistical tool to determine the typical characteristics of the land. The text descriptions are to depict the overriding characteristics of the physical landscape (statistically), but there may be instances where areas fall into classifications that appear incorrect. For this reason the classification number is the only data that is required.

20. **Membership of Farm Assurance Scheme** (line 67).
Where co-operators belong to a Farm Assurance Scheme, enter 1 on this line. When asking the question check that the scheme involves a formal compliance document supported by audit visits. If so, it qualifies as a bona fide assurance scheme.

21. **Membership of LEAF** (line 69)
Enter 1 on this line if the co-operator has acquired full accreditation to the "Linking Environment And Farming" organisation and are LEAF demonstration farms.

22. **Contract Rearing** (line 71)
A contractor (owner occupier or tenant) rears livestock for the owner of the animals. Management of the animals remains the responsibility of the contractor from delivery until collection, although the livestock owner may provide some variable inputs and labour when required. Payment is normally a fixed fee per animal over the period they are with the contractor. Agreements of this type are common and treated within the FBS as contract rearing or agistment. More detailed instructions regarding Joint Venture Farming arrangements can be found at Appendix 20.

Entry codes for this line are as follows:

Code 1: No livestock
Code 2: All livestock owned by the farmer
Code 4: Some animals are sent away from the farm and reared elsewhere
Code 8: Some or all animals are owned by others but reared on the farm
Code 12: combination of codes 4 and 8 above

Entries by ROs do not allow for binary analysis and care should be taken to correctly identify the main activity: for example where some of animals that are all owned by the farmer are sent away from the farm and reared elsewhere for a period, then code 4 should be recorded; not code 2.

N.B. Horses on livery should not be included in this coding.

23. **Labour and machinery sharing** (line 72)

Labour and Machinery sharing can be described as two or more persons pooling all or part of their labour and machinery. The arrangement may be treated as a cost centre or as a separate business contracting out the operations to each co-operating farm business. The ownership of the labour and machinery may be within another business or part of one of the farm businesses.
The presence of a labour and machinery sharing arrangement, regardless of type or scale, should be recorded on this line using the following classification:

Code 1: No labour or machinery sharing
Code 2: Labour and Machinery sharing
Code 4: Machinery sharing
Code 8: Labour sharing
Code 16: Any kind of separate entity labour or machinery sharing

Entries here do allow for binary analysis and ROs should take care to record all the different joint venture (JV) activities on the farm: for example where JVs involve different arrangements comprising labour and machinery sharing; machinery sharing only; labour sharing only; another kind of separate labour or machinery entity then the following codes 2; 4; 8; 16; would be summed giving a binary entry of 30.

More detailed instructions regarding Joint Venture Farming arrangements can be found at Appendix 20.

24. Milling wheat proportion (row 73)
The National Association of British and Irish Millers (NABIM) classify different wheat varieties according to their potential milling quality. NABIM group 1 breadmaking wheats have lower potential yields than varieties classified in groups 2, 3 and 4 but might be expected to command a premium price. Enter the appropriate code for the wheat crops recorded in C2, according to the following criteria:

Code 1: No Group1 wheat grown
Code 2: Some group 1 milling wheat grown
Code 3: All milling wheat group 1 grown

Note that this information relates to the variety sown and not the eventual destination of the wheat.
For 2013/14 the following varieties are classified as group 1:
Winter wheat

- Crusoe,
- Gallant
- Hreward
- Solstice

Spring wheat

- Mulika
- Paragon

25. Sugar beet contracting for harvesting (row 74)
Record here whether or not any sugar beet crops are harvested by a contractor according to the following codes:

Code 1: Does not grow sugar beet
Code 2: Contractor for harvesting
Code 3: No contractor for harvesting

26. Monitoring succession in farming (rows 78-80)

This topic is of great interest to policy makers and other stakeholders, given the growing interest in understanding potential business / farming continuation across different sectors, and this also feeds into social issues linked to the sustainability of farming. Arrangements for succession should be discussed with the current incumbent with management responsibility for the farm business, who may not necessarily be its legal owner.

PART A (Row 78)

"Would you be happy to answer questions about succession of your business"?

Code	Response
1	yes
2	no / prefer not to discuss / RO knowledge of farm family situation means inappropriate to ask Part A question
3	decision maker not seen on this occasion

If code 1 recorded, then data capture is via a series of simple yes or no question below. If code 2 or 3, no further questions:

PART B (Row 79)

If answer to question 'is there a successor(s) nominated to succeed with running of business is YES, then need to determine by use of codes which response applies-see code and choice of responses below:

Code	Response
1	from within the family, or
2	business continuing, but from outside family, or
3	no, or
4	unsure, or
5	too early in family circumstances/business situation to answer
6	successor(s) nominated but unable to take over due to tenancy or other restriction/issues
9	Not applicable, as code 2 or 3 used in Part A

from within the family' (Family defined as direct family [e.g. husband, wife, son, daughter], family relative [e.g. brother, nephew, niece] or family 'in-law' either via marriage or long term partnership [e.g. son/daughter-in law if daughter/son not actively taking on the management of the business]

from outside the family' (e.g. by 3rd party sale, lease or contract farming arrangement of whole farm business)

Part C (Row 80)

Is successor from?

Code	Response
1	Farming background (e.g. has substantial experience [e.g. three years practical experience including some time studying at College/University-as defined for taking on farm tenancy or second generation farmer
2	New to farming (e.g. first generation farmer /limited background in farming)
3	Not applicable as codes 3 to 9 used in part B

27. Primary sources of water and proportion (%) of use by volume (Rows 81 to 92)

Water has become an increasingly important resource / cost to farm businesses and is additionally a key metric in the sustainability agenda. The aim here is to note the primary sources of water and, record the proportion (%) by volume of the different sources.

PRIMARY SOURCES:

Indicate YES (1) or NO (2) for each primary source, as appropriate

Water from mains supply (Row 81)
Water from bore hole (Row 82)

Water from rivers, streams and/or springs, for abstraction [including drinking by livestock] for immediate use (Row 83)

Water from rivers, streams, and/or springs, for abstraction to storage for later use (Row 84)

Water from ponds/lakes/reservoirs, which are replenished naturally. *If fed by abstraction in part/whole* (Row 85)

Water from rainwater storage that has been captured as rainwater runoff (Row 86)

PROPORTION (%) OF USE BY VOLUME

Water from mains supply (Row 87)
Water from bore hole (Row 88)

Water from rivers, streams and/or springs, for abstraction [including drinking by livestock] for immediate use (Row 89)

Water from rivers, streams, and/or springs, for abstraction to storage for later use (Row 90)

Water from ponds/lakes/reservoirs, which are replenished naturally. *If fed by abstraction in part/whole* (Row 91)

Water from rainwater storage that has been captured as rainwater runoff (Row 92)

28. **Total Area of Holding** (lines 15 to 30, 47 to 52).

All these areas should be given in hectares to two decimal places. Land hired from others for less than 1 year should not be recorded in these lines unless it is hired in on an annual but permanent basis. In this case it should be treated in the same way as land hired in on a formal tenancy agreement and included in both Utilised Agriculture Area and total area. Any area of second or multiple cropping (Section C2 col. 22) and any areas of purchased standing crops should also be excluded from these rows. Land hired in on a strictly annual basis should be entered in lines C3, lines 412 and 413, column 21.

29. **Total Main Products and Set-Aside** (line 15).

This is the sum of the areas of the main crops included in C2 col. 21, i.e. the figure appearing in line 299 col. 21, plus the areas under the rotational, non-rotational and five year set-aside schemes (C2 line 422 col. 21).

30. **Grass, Fodder Crops, Rough Grazing etc**. (line 16).
The sum of the areas of grass and fodder crops etc included in C3 line 420 col. 1.

31. **Utilised Agricultural Area** (line 17).
This must be equal to the sum of lines 15 and 16. This is the basic agricultural area.

32. **Woodland** (line 18).
Areas covered by woods and forests, including tree nurseries cultivated for the holding's own needs and any commercial woodlands unless they are run as a separate business.

33. **Other Areas** (line 19).
Any part of the total area not included under lines 17 or 18, i.e. the area occupied by roads, concrete on airfields, household or ornamental gardens, quarries, ponds, canals, all buildings including mushroom and rhubarb sheds, and any area not farmed but capable of being used for agricultural purposes.

34. **Total Area** (line 20).
This is the sum of lines 17, 18 and 19.

35. **Adjusted Rough Grazing (Sole Occupation)** (line 21).
Rough grazings (C3 line 404) converted to permanent pasture equivalent on the basis of effective stocking capacity, for example 3:1, 4:1 etc.

36. **Adjusted Grazing Rights (Shared)** (line 22).
Where a farm has common grazing rights an estimate of pasture equivalent used by the farmer should be made in the same way as adjusted rough grazing under sole occupation (see above) . Shared rough grazing rights are excluded from UAA total area and total adjusted area.

37. **Total Adjusted Area of the Farm Used for Agriculture** (Adjusted UAA) (line 23).
This is the area equivalent to the crops and grass and fodder crops area plus the adjusted area of rough grazing in sole occupation. It should therefore equate to the UAA minus the rough grazing (sole occupation) plus the adjusted rough grazing (sole occupation) and can be defined in terms of the FAS 24 as (A17 minus C404 col. 1 plus A21.

38. **Area Actually Irrigated** (line 24).
The estimated area actually irrigated during the accounting period by stationary or mobile equipment.

39. **Area under Glass, Heated** (line 25).
The basic area of glasshouses, walk through polythene tunnels and frames, provided with heating plant.

40. **Area under Glass, not Heated** (line 26).
The basic area of glasshouses, walk through polythene tunnels and frames not equipped with heating plant (including glass heated on occasions by portable heating equipment). It excludes the area of low polythene tunnels, cloches or portable frames which are treated as outdoor crops.

41. **Type of Tenure** (lines 27 to 30, 47 to 50)

(a) **Owner-Occupied Land** (lines 27 and 28). Area of land farmed directly by the owner or through a paid manager including land farmed under a share farming agreement, also entered in lines 51 and/or 52. Land let out for less than one year under agreements other than Farm Business Tenancies should also be included here. However, land let out under contract farming agreements, which therefore the farmer does not actively farm himself, should not be included either here, or in lines 17 to 20, (nor lines 49 to 50).

(b) **Full Agricultural Tenancy (**lines 29 and 30**).** Area farmed as a tenant, excluding land rented for less than 1 year, where the tenancy agreement is normally with life time security and subject to the provisions of the Agricultural Holdings Act 1986, including succession tenancies.

(c) **Farm Business Tenancy & Similar Informal Agreements (including for less than 1 year)** (lines 47 and 48). Area farmed as a tenant, including ongoing agreements for less than one year, where the tenancy agreement is for any period agreed by the parties themselves and taken up on or after the 1st of September 1995, under the provisions of the Agricultural Tenancies Act 1995.

(d) **Contract Farming Agreement** (lines 49 and 50). Area actively farmed under a contract farming agreement, defined as an agreement whereby the contractor provides tenant type capital and managerial input into the running of the farm. Area should be entered here by the contractor, as he is actively farming the land. The owner of the land should make no entry here (or at lines 27 and 28 – see above) as he is not actively farming the land. See appendix 19 for further information and definitions of Joint Venture Farming agreements including their treatment elsewhere in the FAS24.

(e) **Share Farming Agreement** (give area even if not on this farm) (lines 51 and 52). Area farmed under a share farming agreement, defined as an agreement whereby each party provides a share of capital in return for a share of farm profit. Entries in lines 51 and 52 should include area under share farming agreements whether it is owned or not. The area under share agreements should only be included in Total Area (line 20) if it is also owned. Land which is under share farming agreements which is also owned, should also be entered in lines 27 and/or 28. See appendix 19 for further information and definitions of Joint Venture Farming agreements including their treatment elsewhere in the FAS24.
(f)

42. **Area Eligible for Single Payment Scheme Including Set-Aside** (line 68).
This area should be the area within the Utilised Agricultural Area (line 17) that is eligible for the single payment scheme and has been allocated entitlements. It will therefore not include any land hired in for forage.

43. **Total Area of the Farm within an Environmentally Sensitive Area, or Nitrate Vulnerable Zone or Moorland Area** (lines 40, 42 and 61).
The entry shown in these lines should give the total **area** of the farm business within a designated ESA (line 40), or Moorland Area (line 42). The **proportion of the farm as a percentage**, that falls within the Nitrate Vulnerable Zone (NVZ) should be recorded on line 61.
]

44. **Total Area of the Farm Signed-up to a Management Scheme within Environmentally Sensitive Area or Moorland Area** (lines 43 and 45).
The record should show the total area of the farm signed up to an ESA (line 43) or Moorland Area (line 45) agreement.

45. **Total area of land outside LFA and land in SDA** (lines 53 to 55 & 77).
Lines 53 to 55 & 77 should record the total area of land outside the LFA and land in SDA. The total area of land should include forage land recorded in Section C3 of the FAS form and the total should be greater than or equal to A20. Lines 53 to 55 & 77 should be filled in for all farms, including those outside the LFA.
Row 77 is for recording unadjusted unused common land; rows 53-55 are for recording unadjusted areas of all land available to, and used by the farmer, excluding forage taken for livestock under one year.

46. **The utilised agricultural area (UAA) registered with a certification body as fully organic** (line 56).
This should exclude land that is registered as in conversion – this is to be recorded in line 57.

Valid certification bodies are:

- Organic Farmers and Growers Ltd. (OFG)
- Organic Food Federation (OFF)
- Soil Association Certification Ltd (SACert)
- Biodynamic Agricultural Association (BDAA)
- Quality Welsh Food Certification Ltd
-
- Ascisco Ltd

47. **Utilised Agricultural Area Registered with a Certification Body as in Conversion to Organic** (line 57).
Valid certification bodies are listed in paragraph 46 above.

SECTION B - LABOUR

General

1. Labour excludes persons under 13 years old.

2. **Work on the holding includes** all the work done in connection with the normal running of the holding including any fully integrated activities recorded in Section I, i.e:

- organisation and administration (farm sales and purchases, bookkeeping, VAT returns etc. NB This is not to be treated as management);
- field work (all arable and grassland operations, orchard maintenance etc.);
- livestock husbandry (feed preparation, feeding of animals, milking, care of livestock etc.);
- maintenance work on the farm (buildings, machinery, equipment, hedges, ditches etc.);
- transport for and carried out by the labour of the holding;
- other work if directly connected with farm work;
- forestry work (on woodland included in the agricultural holding);
- All work associated with fully integrated activities recorded in Section I, but excluding all work associated with activities recorded in Section K, see decision chart in Section I. contract work for others where this meets with the criteria outlined in Section I for allocating such activities to Section I. It may be more appropriate to enter contracting work in Section K (see decision chart in Section I) in which case labour associated with it will not be recorded in Section B.

3. **Work on the holding does not include the following:**

(a) work to produce fixed assets (construction or major repairs of buildings or machinery, planting of orchards, demolition of buildings, felling of fruit trees etc.) unless capital credits to the value of that work have been included in section I;
(b) work performed for the household of the holder or manager;
(c) work done by travelling secretaries (the cost of such secretaries should be included in F line 43).

4. **Managerial Labour**
Only paid managerial labour is to be recorded at section B. Managerial activities are essentially those involving analysing and interpreting information and then making a decision, i.e. choosing strategy and direction of the business, choosing certain enterprises over others, deciding on cost control measures, investment decisions, choosing sources of advice, choosing learning and development, undertaking learning and development, attending discussion groups and NFU meetings, analysis and interpretation of enterprise and whole farm budgets and forecasts. A further aspect of management is that it often involves an element of risk taking.

Examples of activities that are not part of management are; giving instructions, choosing which husbandry operations are carried out and when, completing admin records, completing claim forms, entering financial figures in costs and budgets. These should be considered as manual labour and would tend to fall under overhead labour at section P, although there are examples of enterprise specific activities that fall under direct labour, not overhead labour, e.g. completing milk records and crop records.

One example of the difference between management and non management is that a decision to harvest a particular field on a certain day is management, but instructing a farm worker to go ahead is not, even where the instruction was carried out by the manager. Some further examples of management activity can be found in appendix 21
It can be very difficult to accurately quantify the time spent on management but it is important to measure it as robustly as possible, so that the return to purely management as opposed to manual input can be measured.

5. **Mutual Assistance Between Holdings**.
Where the exchange of services is on a limited scale, nothing is indicated on the farm return. In exceptional cases, when the exchange of services is on a large scale, the procedure is one of the following:

(a) An exchange of work - if in principle the assistance given is equivalent to the assistance received, the time worked by the farm labour and any related wages are specified in the farm return.
(b) Work exchanged for assistance of another kind e.g. the supply of machinery. For the farm supplying the labour, the working time provided and any related wages are left out of labour costs and the value of the service received is recorded as an input under the corresponding heading (e.g. F1 line 6 "Contract work and machinery rental").

For the farm supplying the other service, working time is recorded as paid farm work (B lines 11 to 16), the value of the assistance given is recorded both as production under the corresponding heading (e.g. I code 910) and as a cost (under B line 18 and F line 1 "Wages and social security").

Integrated System: Section B
Completed by a combination of data brought forward from the previous year and manual or automated transfer of AAP data.
Benefits in kind calculated in different areas of the FAS24 are identified in a working table, and need to be allocated to the correct item rows.
Labour attributable to non agricultural Section I activities are calculated in a working table to the right of the core data. Spreadsheet column O is for entry of manual hours as opposed to total hours in item column 5 which would include management hours. Column P is for entry of the Section I hours, with the Section I cost being the product of hours and hourly rate.
Section I working table shows the total labour costs allocated in Section B and these need to be allocated to the individual activities.

Where there is a formal or informal agreement in place to share labour the activity should also be recorded within section A at A72 to enable farm identification. See appendix 19 for further details.

Definitions of the Labour Categories

6. **Regular Labour** (lines 1 to 6, 8, 10 to 12, 14 to 16, 19 and 20).
People who work at least one whole day per week (excluding normal holidays) for the holding during the accounting year.

A person employed regularly but who, for special reasons has been engaged on the farm only for a limited period in the accounting year, is nevertheless entered (for the number of hours actually worked) as regular labour. This might arise for the following reasons:

(a) Absence from work other than for normal holidays, e.g. illness, accident, maternity, extended leave etc.
(b) Joining or leaving the holding
(c) Total cessation of work on the holding due to accidental causes, e.g. flood, fire etc.

Note: For lines 1 to 4, enter the regular unpaid partners, directors or managers in decreasing order of importance to the business or, if this is not possible, age. There must be no empty lines between entries in lines 1 to 4.

7. **Casual or Seasonal Labour** (lines 7 and 13)
An aggregate of people who have not worked regularly on the holding during the accounting year. There may be special production conditions on the farm for which labour is not required throughout the year, e.g. farms specializing in the seasonal fattening of animals or in the production of fruit and vegetables in the open. Contract labour not associated with the hiring of any machinery should also be recorded here.

8. **Whole-Time Labour** (lines 6, 11 and 12)
People who work on average over 30 hours per week on the holding.

9. **Part-Time Labour** (lines 8, 14 and 15)
People who work on average less than 30 hours per week on the holding.

10. **Wholly or Mainly Unpaid Labour** (lines 1 to 8, 19 and 20)
Unpaid labour or labour which receives less remuneration (in cash or in kind) than the amount normally paid for the services rendered. Where a mainly unpaid worker receives some regular wage or salary, this should be included within the total estimated unpaid value and recorded in col. 7, so that the total unpaid wage equates to the gross earnings of an agricultural worker doing similar work and working similar hours. Guidance on how unpaid labour may be valued is provided in Appendix 16.

Unpaid labour includes the following:-

(a) The farmer, farmer's spouse, regular unpaid partners, directors or managers (lines 1 to 4, 19 and 20). If there are more than 5 partners, the extra ones should be included under "other unpaid workers" (line 6, 7 or 8 as appropriate) and a comment made in the comment box.
(b) Paid directors should also be recorded in lines 1 to 4, as unpaid labour and hours worked should be valued in the normal way. Any 'pay' to paid directors should be entered in private drawings (Section G3). Note that the equivalent value should be entered in section F, line 83, column 7. Line 83 is not included in the calculation of net farm income but is used in the derivation of farm business income.
(c) Spouse(s) of partner(s), director(s), or manager(s) (line 5). Only included if working on the holding.
(d) Other regular unpaid labour not included in the preceding headings (lines 6 and 8).
(e) Casual and seasonal unpaid labour (line 7).

11. **Paid Labour** (lines 10 to 16)
Labour paid in cash and/or in kind for services rendered. It includes:

(a) Farm Manager (line 10). Salaried person undertaking the day to day management of the holding without assumption of legal and economic responsibility for it. No entry in col. 3 (numbers) is required, as line 10 applies to one person only.
(b) Other regular workers (lines 11, 12, 14 and 15). These should be split into whole-time family (line 11) and non-family (line 12) and part time family (line 14) and non-family (line 15). Any second or subsequent manager should be included here.
(c) Casual or seasonal paid labour (line 13).
(d) Youth training scheme trainees (line 16). This should be completed as for other paid workers. The grant / subsidies received by the farmer should be entered in Section F line 1 col. 4.

12. **Other Employment Expenses** (line 17)
This covers employer's liability insurance, gross redundancy payments, costs of advertisements, interview expenses and the cost of training courses, etc. Training grants are not included here, but are included in Section F lines 1 or 2 col. 4.

13. **Gender of Farmer** (line 22)
The gender code (1=male 2=female) is entered in column 1 of line 22. No other entries are made in this line, and all other entries in column 1 will be duty codes.

14. **Farmer and Spouse** (lines 19 and 20)
The person to be recorded in B19, the farmer, will in general have the greatest economic and legal responsibility for the business. In most circumstances this will be the owner of the business. Where the business is run in partnership, the farmer should be taken as the person who takes the major business decisions. If a partnership is truly equal, then the Research Officer should use discretion as to who is recorded as the farmer. A useful indicator of the farmer may be the person co-operating with the RO in the provision of data for the FBS.

Farmer and spouse hours worked (column 5) cover all farm activities apart from management. The value of unpaid labour of farmer and spouse covers the estimated value of their **manual** labour, assessed at the current wage rates for the district for corresponding work including overtime Social security contributions (employer's and employee's shares), calculated as if they were for paid labour, are to be included in this figure, but any personal insurances are to be excluded.
The value of the managerial work of the farmer and spouse must not be included in column 7.

15. Manager's Paid Managerial Input (line 21)
The data in this line should represent that part of the total paid labour recorded in lines 10 to 17 which relates to managerial work. It can relate to one or more worker. An explanation of what constitutes managerial labour can be found at paragraph 4 above. Unpaid managerial labour is not recorded within the FAS24.

Definitions of the Columns

16. Duty Code or gender (col. 1)
This column has a dual purpose: to record the gender of the farmer (line 22); and the duty code (all other lines).

The responsibility of the farmer and each of the unpaid partners, directors or managers should be classified according to the following:

(a) Holder / manager (code 1). Person who assumes economic and legal responsibility for the holding and undertakes its day to day management.
(b) Holder / not manager (code 2). Person who assumes economic and legal responsibility for the holding without undertaking its day to day management.
(c) Manager / not holder (code 3). Person who undertakes day to day management of the holding without assumption of economic and legal responsibility for it.
(d) Limited company (code 9). This code is used for **all** unpaid directors and / or managers or farmers who are part of a farming company (i.e. when A line 7 = 4). When the function is performed by several people (e.g. brother and sister, husband and wife) each one is recorded in decreasing order of responsibility; in the event of equal responsibility, decreasing order of age is used. Thus the data concerning the person assuming the greatest responsibility are recorded in line 19; those concerning the next in responsibility in line 1; the next in line 2 etc.

17. Year of Birth (col. 2, required for lines 1 to 4, 10 and 19)
Where this information is not available, the RO should make a best estimate. Enter all **four** digits of the year of birth. Do not put the age.

18. Numbers (col. 3)
Numbers are only required for aggregated categories, i.e. lines 5, 6, 8, 11, 12, 14, 15 and 16. Only whole numbers should be entered in this column.

19. Time Worked (col. 5)
Time worked should be indicated in hours. It should refer to the time actually devoted to the work of the holding, both manual and managerial. The time worked by piece-work labour is estimated by dividing the total amount paid for the work by the hourly wage if the worker had been employed on a piece rate basis. A ready reckoner for assessing hours actually worked on the farm can be found at Appendix 14.

20. Gross Paid Wages and Salaries (col. 6)
This covers:

(a) The cash payment made to the worker including overtime plus premia, bonuses and the employer's and employee's shares of social security contributions. (The employer's common law liability insurance is included in line 17).
(b) The cost of perks such as payment of Council Tax, cottages or board, milk, potatoes etc., which are provided for farm workers and their families, whether they form part of the contract wage or not.
(c) Council Tax. Where an employer pays all or part of the Council Tax for a paid employee and / or the employee's family, the amount paid should be recorded here.
(d) Cottages. Where cottages are provided for workers and no charge for rent is made, an imputed cost equivalent to the statutory value prescribed in the Wages Order (£1.50 per week) should be added to the relevant line and a corresponding amount added to Miscellaneous Revenue (see Section I). Even where the statutory cottage value is deducted from the cash wage the gross wage should be shown and the value of the cottage included in D (line 31).
(e) Board. The term "Board" is either full board or a specific number of meals as defined in the Orders of the Agricultural Wages Board. Where workers are boarded / lodged with persons unrelated to the farmer and who have no financial interest in the farm, the actual cost to the employer of such board and lodging is recorded. In all other cases the values entered should be those prescribed by the Wages Board.
(f) Other Perks. Milk, potatoes etc. should be charged at the Wages Board rate where available, or otherwise at ex-farm prices. A contra entry must be made in the benefits in kind column of the appropriate commodity, e.g. Section C2 col. 11.

21. Unpaid Labour - Manual Only (col. 7)
The total to be entered here is the equivalent of the wages including social security contributions (employer's and employee's shares) and perks which would have been paid for equivalent hired workers who were not given help towards the Council Tax or board and lodging. Therefore Council Tax and board and lodging for unpaid labour should be excluded from the FAS 24. All entries in col. 7 should be at least the minimum ruling rate as recommended by the AWB.

22. Education Code (col. 8)
The educational qualifications of the manager, farmer, and other unpaid partners, directors or managers (lines 1 to 4, 10, and 19) should be entered according to the following codes:

Code	**Description**
0	School only, no educational qualifications achieved on leaving school
1	GCSE or equivalent achieved
2	A level or equivalent achieved
3	College, National Diploma, Certificate, e.g. BTEC or HND in any subject
4	Degree qualification in any subject
5	Post graduate qualification in any subject
6	Apprenticeship, either formal, or informal through any job where there is a significant element of training and/or day release
9	Other, i.e. educational qualification that does not fit into any of the above categories

Where a person has more than one qualification, the highest qualification should be given.

SECTION C - CROPPING

General

1. Section C1 is used for previous years' crops and C2 for current crops. Section C3 is used to record by-products (including straw), forage, and cultivations.

All entries in Section C should exclude output from non-agricultural activities. Non-agricultural activities include value-added activities, such as the processing and retailing of farm produce (see Section I and Appendix_12 for further details). Output arising from a value-added activity should be recorded in Section I.

2. Separate Lines of Section C2 (and as appropriate C1) are to be used to record:

All main crop products except for fodder crops.
Individual lines in Section C3 are described in paragraphs 21 to 31.

3. **Set-Aside Land**
Member States of the EU have agreed in principle to abolish obligatory set aside. http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/1069&format=HTML&aged=0&language=EN&guiLanguage=en Any voluntary set aside should be recorded in section C3, line 424 (uncropped land excluding fallow and including voluntary set aside)

Definitions of the Codes

4. **Product Code**
These are three digit figures given in Appendix 3 which should be entered in column E of sections C1, C2 and C3 in the Integrated System.

5. **Type Code**

0 Not Applicable - used only for basic areas, mushrooms, rhubarb forced in sheds, previous crops, sugar beet quota leased out, processed products, by-products, fallow, bare land and forage let, cultivations, bare land and forage hired.

1 Main Crops - this code is used for:-

(a) single crops which are the only ones grown on a given area during the accounting year;
(b) mixed crops, which are sown, cultivated and harvested together, producing a mixture of crops as the final product;
(c) includes field scale soft fruit production (except strawberries; see 4 below) grown in polythene tunnels
(d) the crop with the greatest value where crops are grown successively on the same area or where a permanent crop is grown in conjunction with another crop. If values are equal, the crop which remains longest in the ground is considered the main crop.

2 Combined Crops – a combination of crops growing for some time together on the same land and each normally producing a distinct harvest during the course of the accounting year, e.g. strawberries under top fruit, celery interplanted with lettuce. The total area is divided between these crops in proportion to the area actually occupied by each.

3 Follow-on Crops (Catch Crops) - this code should be used for those crops grown in succession during the accounting year on a given area but not regarded as main crops (see above).

4 Outdoor Market Garden / Floriculture Crops - fresh vegetables, melons and strawberries grown in market gardens in the open and flowers and ornamental plants grown in the open. Crops grown under low polythene tunnels or cloches should be treated as being grown in the open.
Also includes field scale strawberry production grown in polythene tunnels

5 Crops Under Glass. This includes soft fruit grown under polythene.

6 Share Crops - where a main, combined or follow on crop (but not a horticultural crop) is share farmed, i.e. the costs and benefits of producing the crop are shared between the co-operating farm and some other party (e.g. the landlord or a neighbour).

7 Crop subsidy other than area payments

9 Previous year's crop

6. **Missing Data Code**

If one of the situations set out below arises where data cannot be provided, the appropriate missing data code should be inserted.

0 No Data Missing - both the area and production of a crop are available (used for basic areas).

1 Production given, but principle area (col. 21) missing. For example, purchased standing crops, or crops grown wholly or partly on land rented for less than one year.

2 Crops grown under a purchasing contract for which production in tonnes (col. 23) is not available.

3 Area is given but there is no production. This can be non-contract crops not sold by weight, but by the net, crate, head etc. (such as lettuce and cabbage). Notice that crops grown under a purchasing contract are entered as MDC 2.

4 Area and / or production of crop is missing. This is used for by-products, processed products, previous crops and crops on which subsidies are paid. This code should also be used for sugar beet quota that is leased out.

7. **Revenue Codes for Horticultural Crops**

For **horticultural crops (crop codes 108 to 265)** revenue should be recorded gross of contra items of expenditure deducted from sale vouchers (such as processing, packaging and marketing costs) unless these charges have not been itemised by the purchaser. Where it is the case that processing / packaging / marketing charges have not been itemised by the purchaser, revenue may be recorded net of such costs. This is also permissible in cases where *a disproportionate amount of time would be spent recording gross revenue and contra expenditure even when the information is available from sales vouchers*.

0 Revenue is recorded gross of normal processing / packaging / marketing costs. No data is missing, and such costs are recorded in Section F as appropriate.

1 Revenue is recorded net of normal processing / packaging / marketing costs. Purchaser has not recorded such costs, and to estimate the costs would involve a disproportionate amount of time.

2 Revenue is recorded as a mixture of gross and net of normal processing / packaging / marketing costs. Applies when there is a combination of sales of the same crop, some recorded net and some gross of costs.

Revenue codes should not be entered for crops whose codes lie outside of the range 108 to 265

Definition of the Columns

8. **Opening Valuation** (cols. 25 and 26 of C1 and C3)
The value (£) should be entered in col 26 with the corresponding amount (in tonnes) entered in col 25. Where the opening valuation is amended significantly from the closing valuation of the previous year to take account of additional information, the revised figure should be used and the revision to the valuation recorded in D20. Where there are relatively minor changes in crop valuations, the opening valuation should not be changed and the difference will appear as an adjustment in col. 42.

9. **Closing Valuation** (cols. 27 and 28 of C1, C2 and C3)
For C1, C2 and C3, the value (£) should be entered in col 28 with the corresponding amount (in tonnes) entered in col 27.

Section C1 - the value and amount of any of the previous years' crops remaining on the farm at the end of the current year, i.e. for more than 12 months, should be recorded and included in the opening valuation for the following year.

Section C2 and Section C3 - the value of crops in store or in the ground at the end of the year, including home grown seed already sown from the current crop for next year's harvest, to be valued as though still in the barn. Purchased seeds and plants already sown for next year's crops as well as fertilizers, sprays and other crop costs already applied/used on next year's crops should be excluded from the closing valuation of crops, but included in the closing valuation in F1 lines 27 to 30, i.e. treated as if still in the barn.

The crops should be valued at ex-farm prices (i.e. estimated market value less costs still to be incurred such as costs of harvesting, marketing or storage), taking account of any likely losses. This market value should reflect that of the basic agricultural product, excluding any value-added processing or retailing activities. Market value and costs still to be incurred may be those either at the date of valuation or at the expected date of sale. In order to avoid substantial changes between the opening valuation of the second year and the closing valuation of the first year, it is recommended that where possible the latter method be used.

Forage crops in store may be valued at estimated market value (or if appropriate at variable costs of production) whilst forage crops still growing should be valued at estimated cost at the date of valuation.

Permanent crops - crops with a life of not less than 5 years, such as orchards, certain soft fruits, vineyards, hop gardens and hardy nursery stock stock-plants i.e. crops which stay in the ground and from which output is taken in the form of cuttings, fruit etc. Energy crops (specifically miscanthus and short rotation coppice) are also regarded as permanent crops. Hardy nursery stock with a production cycle of more than 5 years, where the mature plant is eventually sold are not considered to be permanent crops, nor are strawberry plants and rhubarb (which have a life of less than five years). Permanent crops should be counted as tenant-type assets and their value should also be entered in Section F line 11. The closing value of permanent stock should be the sum of accumulated costs of establishment, revalued and depreciated as appropriate to the parent stock. (See Section F para. 18 for more information on estimating the closing value.)

Integrated System: ORCHDEPN worksheet
Permanent crop depreciation and closing valuations are calculated on the year of planting and gross cost. Orchards in their early year go through a period of appreciation as the trees increase in potential, and then will begin to depreciate.
Orchard name, area and *trees/ha* are recorded for reference purposes.
Year planted is needed to calculate appreciation of depreciation.
Life is the expected life expectancy of the orchard.
Gross cost is the cost of establishment
Year grubbed creates a zero closing valuation.
Opening valuations are brought forward for the previous year, or for new farms are shown in the *OV* from *Orig cost column*, and should be entered in the *Open Valn* column.

Historic cost depreciation is calculated on the year of planting and initial costs.

Trading production stock - hardy nursery and fruit stock and Christmas trees and hardy nursery stock with a production cycle of more than 5 years, where the mature plant is eventually sold, is included here, as are strawberry plants and rhubarb (which have a life of less than five years). These should be valued at the wholesale market price minus marketing costs, all multiplied by two thirds. The two thirds takes account of the substantial proportion of both container grown and field grown plants which will be unsaleable and is based on anecdotal evidence of such growing crops being successfully sold to "the trade" on this basis. It assumes that all plants are included in the initial valuation. For field grown plants, the initial valuation is likely to be arrived at by multiplying the number of rows in a field by the length and dividing by the planting distance. Using such a method, the initial estimate is very likely to be an overestimate. The market value of both field grown and container grown plants should be the wholesale price, because it is difficult to obtain the retail price for all plants. If the wholesale price assumes that field grown plants will be sold in containers, the cost of potting and any further packaging such as bags and compost must be deducted.

It is also necessary to establish if the producer is having to discount the wholesale price. An important measure of the annual output will include a statement of any change in the discounted price applicable at the end of the financial year. It should be noted that there is no market for small cuttings, so the immature stock should be valued at cost of production.

10. **Revenue** (cols. 29 and 30 of C1, C2 and C3)
Revenue should be based on the value of the basic agricultural product and should exclude any revenue that can be attributed to a value-added activity. The revenue resulting from a value-added activity should be netted off and recorded in Section I. Revenue should include compensation payments from insurance and/or disaster aid - providing these can be allocated to an individual crop (if they cannot, entries should be made in I line 900, other miscellaneous receipts) - where this is being paid for a crop harvested (or that would have been harvested) in the current year. Compensation payments paid in the current year for crops harvested, or that would have been harvested, in the previous year, or in earlier years, should be recorded in D lines 48 and 55 to 60, as appropriate, whether or not they can be allocated to individual crops and providing they weren't included in that year’s net farm income as a debtor.)

Integrated System: Section C1
Any opening valuations of crops are brought forward from the previous year's closing valuations. Where AAP is used there are two analysis options available. Where Centres have fixed rows for individual crops the revenue and tonnage can be posted directly. However where there are not predefined rows for a specific crop there is a working table below Section C1 where that crops analysis data can be posted and either manually entered against the relevant crop, or automatically referenced if the crop code is shown in the 'code' column. If the AAP is not used or for new accounts, the data will need to be entered manually.

There should be no outstanding subsidies for previous crops recorded under revenue in Section C1, because all subsidies are to be recorded 'as due' (i.e. attributed to the production year in which the payment was earned). For main current crops (C2) and fodder crops (C3), subsidies are to be excluded from revenue and separately identified in col. 40 of C2 and C3.

The general principle adopted throughout the FBS is to record revenue gross, before the deduction of commission and other external marketing charges paid direct by the farmer (e.g. drying and cleaning costs), which should be entered under "other crop costs" (F line 30). This is a requirement of the FADN. For those products where the difference between gross and net is relatively insignificant, the net figure may be used if it is more readily available. However, it is recognised that in the case of horticultural crops the difference between gross and net may be significant. In certain circumstances, for example where purchasers have not detailed the purchasing / packaging / marketing charges, it may not be possible to ascertain the gross revenue. In such cases, revenue maybe recorded net of such costs, and indicated as such using the appropriate revenue code.

Revenue should be adjusted to exclude opening debtors and include closing debtors. Revenue should exclude produce used in the farmhouse, gifts and benefits in kind to labour and others (these are included in C2 cols.31 & 32, and C3 col.38 – see paragraphs 12 and 13).

Note that non-area payments should be entered with a type code 7.

11. **Used on Farm** (C1 cols. 33 to 36 and C2 cols. 33 and 34,)
These columns cover feed and seed used on the farm (which must also be recorded in F1 lines 17, 18, 19, 20 and 27). Feed refers only to non-forage crops such as home-grown cereals, stockfeed potatoes, carrots etc. Estimates of the consumption of forage crops are not required. The value should be assessed at the ex-farm price of similar quality feed, i.e. market price after deduction of estimated marketing charges. There is no column for seed used on farm in Section C2 because any seed from a current crop is considered to be still in the barn, and therefore included in the closing valuation. Cols. 34 and 36 should record the value of the feed and seed used on the farm, with cols. 33 and 35 recording the corresponding amount.

12. **Farmhouse Consumption and Benefits in Kind** (C2 cols. 31 and 32)
This includes benefits or gifts to labour and others and produce used in the farmhouse. Such disposals should be valued at ex- farm prices, not retail prices. Col. 32 should be used to record the value of this, and col. 31 for the corresponding amount.

13. **Adjustment** (C1 col. 42)
The difference between the closing valuation and the sum of the total revenue and the feed and seed used on the farm should be recorded here.

14. **Farm Use, Farmhouse Consumption and Benefits in Kind** (C3 col. 38)

This includes straw used for feed, bedding or heating and any other tradable by-products, which should be valued at conservative market prices with the appropriate costs entered in Section F (lines 21, 23, 30 or 36).

Integrated System: Straw worksheet
The straw worksheet enables the total straw output to be built up from the components of sales, home use and closing valuation. Total straw sales will be known from the account analysis, and are allocated across the crops. Home use and valuations will be established with the co-operator, and entered in the appropriate columns, either as tonnes and unit prices, or totals. Feeding or bedding straw are recorded separately as they are shown in either Section F1 row 21 or 23.
Disposal of the previous crop is also required.
Outputs for each crop are calculated and are also shown in the Section C2 working table for Section M calculations. Total straw output is shown in Section C3.

15. **Principal Crop Area** (col. 21 of C2 and C3) and Multiple Crop Area (col. 22 of C2 and C3)
Areas are to be given in hectares to 2 decimal places (i.e. to the nearest 100 square metres). A separate line should generally be used for recording the area of each crop.
Two metre margins for cross compliance purposes are to be ignored and included in the crop area. Four and six metre margins should be treated separately and recorded in section C3 line 424(see paragraph 27, page 12) .

The total area of principal crops (C2 line 299 col. 21), plus the total area of by-products and forage (C3 line 420 col. 21), should equal the Utilised Agricultural Area (Section A line 17).

(a) **Principal Agricultural Crops** (codes 001 to 106)
In the case of a main crop the total area is entered in col. 21. For combined crops the area should be split between them in proportion to the area occupied by each and recorded in col. 21. In the case of successive or follow-on crops the total area should be entered in col. 21, whilst the areas of the other crop or crops should be entered in col. 22.

(b) **Horticultural Crops**
For fresh vegetables and strawberries that are grown in market gardens or under glass and for all nursery stocks, flowers and ornamental plants, it is necessary to create a separate line in Section C to show the basic area, that is the total area of the whole group of crops. In each case the entry will be the appropriate product code (see Appendix 3), the appropriate type code, a missing data code of 0, the appropriate revenue code, an entry in col. 21 and all the other columns left blank. A separate line must still be created for each of the individual crops included in the basic area, unless none of the individual crops occupy more than 5% of the total main products area in which case the crops may be grouped under a general heading (such as mixed top and soft fruit - code 222). These individual areas must be recorded in col. 22, to avoid any double counting. The area recorded in col. 22 will include multiple or successive cropping (i.e. the area on which the crop is grown x number of successive harvests).

Where fresh vegetables and soft fruit including strawberries are grown on a field scale [including under protection using polythene tunnels] rather than on a market garden scale, no basic area needs to be given and these should be treated like agricultural principle crops having a type code of 1, 2, 3 or 4 [strawberries]. Field scale vegetables are those grown on a farm alongside other arable crops. In the case of crops such as lettuce and radish, care must be taken that the total area under successive crops (i.e. the area on which crop is grown x number of successive harvests) is recorded in col. 22.

Mixed vegetables and flowers. Where an area devoted to mixed or successive vegetables and flowers cannot be easily disentangled, the code of the major product (vegetables - product code 109, or flowers - 110) should be used.

Mushrooms (code 126/0). This area is not included in the UAA. The total area under successive crops (basic area x number of complete harvests) should be given in hectares to 2 decimal places, i.e. to the nearest hundred square metres and should be entered in C2 col. 22 (multiple cropping). Data on production etc. should be given in cols. 23 to 41. Use a type code of 0.

Seeds, seedlings and young plants (codes 125 and 127). Where horticultural seeds and young plants are grown in the open as a principal crop, the area should be recorded in column 21 and should not be included in any basic area. However, in all other cases, crops grown under codes 127 or 125 should be recorded in column 22 and included within the appropriate basic area.

(c) **Fertility Building Crops**
Fertility building crops (e.g. those used as part of an organic rotations) should be recorded in C2 using crop code 329 and the appropriate type code.

16. **Total Production of Current Crop** (C2 col. 23)
The total gross production during the accounting period in tonnes to one decimal place. It excludes losses and wastage on the farm or in the field, e.g. crops ploughed in, but includes second quality produce. For sugar beet, the clean beet tonnage should be recorded before adjusting for sugar content. Where a figure (in tonnes) cannot be provided, the appropriate code should be put in the missing data code column. This situation may arise for crops sold as "standing" or on contract (code 2), or horticultural crops such as lettuce and cabbage sold by unit, crate, bunch etc. (code 3).

17. **Yield per Hectare** (C2 col. 24)
The yield per hectare should be calculated from the total production (col. 23) and the total crop area (cols. 21 + 22) and given to 1 decimal place. Note that sugar beet should be recorded on the basis of clean beet tonnage.

18. **Subsidies** (col. 40 of C2 and C3)
Arable area payments for those crops that qualify for a coupled payment (e.g. protein payments and energy crop payments) should be recorded in col. 40, line 1 to 299 of Section C2 or lines 400 to 420 of Section C3. Other subsidies can also be recorded in col 40 using a type code 7 and MDC 4. When recording these other subsidies, the relevant line(s) should contain no other information apart from the crop code, type code, value of the subsidy received and enterprise output.

Any subsidies recorded here should not be recorded in Sections I or vice versa.

Subsidies relating to the current year but still outstanding at the end of the account year (i.e. "due") should be included here, **as well as in Section G line 90** (debtors -crop subsidies). No subsidies should be recorded here which relate to the previous account year. These should already be in the previous year's accounts. If not they should be recorded in section D.

Further details about the timing and rates of subsidies are given in a table in Appendix_10 This table will be amended and sent to centres when rates or changes to rates are announced.

General subsidies should be recorded in Section I on an 'as due basis', except for any compensation payments (e.g. disaster aid) received for the loss of output **in earlier years**, which should be recorded in Section D lines 48 and 55 to 60.

If area payments are made on an area greater than recorded in column 21, the value of the subsidy recorded should be that due only on the area recorded in column 21. The remainder of the payments should be recorded in the closing valuation of creditors in Section G line 49.

Any refunds paid back for crop subsidies paid out in the previous account year should be recorded in D line 46. Subsidies recorded in C2 and C3 should be net of any refunds paid back for subsidies paid out in the current year.

The treatment of fines relating to subsidies should be treated as follows:

- Where the RO is **UNABLE** to identify what it is for:
  Where the purpose of the fine is unknown [expected to be a rare occurrence] record payment of fine in general farming costs if it relates to the current year and, if for previous years, exclude fine payment from current year's accounts and record in D85 if related to EU, otherwise record at D17.

- Where the RO is **ABLE** to identify what it is for
  So long as they apply to the same year, subsidy penalties should be netted with payments of subsidies in the FAS24 in the relevant locations. If for previous/different years then penalties should be recorded in Section D as outlined above; i.e. record in D85 or D17, as appropriate.
-

19. **Area on which area payments have been paid or are due** (C2 col. 39)
This may be less than the area in columns 21 or 22 (e.g. where some of the crop area may have been allocated by the farmer to the forage area) The entry in column 39 should be equal to the payment divided by the appropriate payment rate. That is, the area recorded in col. 39 should correspond to the area payment made in col. 40.

20. **Enterprise Output** (Col. 41, C2 and C3)
Section C2: this is the sum of cols. 28, 30, 32, 34 and 40 and is on a harvest year basis. Section C3: this is also on a harvest year basis, and is (cols. 28+30+38+40-26).

21 **Areas irrigated** (columns 21 & 22)
Area to which irrigation applied should is the cropped area and not the basic area.

Integrated System: Section C2
Crop revenue and tonnage data can be entered directly or via the two automated routes identified in Section C1.

Section C2 is also used to record the analysis of costs for those farms completing Section M.

Seed, fertiliser, sprays and other crop costs, bare land hired in, glasshouse and permanent crop depreciation are all fully allocated within the working table, with Section C2 costs allocated along the same row. Water used for irrigation purposes, crop washing and other uses directly attributable to crop production can also be apportioned to individual crops

Costs associated with forage are shown on a separate row, and are allocated on a livestock unit basis on the "Livestock and forage" sheet.
Enterprise specific heating fuel and crop drying costs are treated as variable costs within Section M, and a working table exists that uses fuel type and cost, tonnage dried and percentage of moisture removed to estimate a drying cost. Residual electricity or other farm fuel costs are apportioned within Section M. Care need to be taken that the calculated drying costs do not exceed Section F1 and F2 costs. Additional machinery fuel (section F row 9) may need to be reallocated to Section F row 36 to ensure drying costs don't exceed actual costs.

Contract and machinery rental costs can either be directly allocated to a crop enterprise or shown as unallocated (hedge trimming etc) and the residual value is econometrically apportioned across enterprises in Section M.
. Contract costs applicable to the following year's operations can be identified, and these are then reflected in the closing valuations of contract costs. Care needs to be taken that these charges are then not included within the closing valuation of cultivations.

Horticultural marketing charges, packing materials and sundries are allocated across enterprises with total costs brought forward from Section F2.

Organic codes are recorded at column 400 using following codes:

- In-conversion, code 1
- Organic, 2
- Conventional & organic combined, 3

Section C3 - By-products, Forage and Cultivations

21. **By-products**
Where saleable by-products are sold or are in store at the closing valuation, they should be recorded in this section using the codes in Appendix 3. Straw purchased in the field should be valued at cost. Internal transfers of straw, or other by-products for which a market exists, should be valued at conservative market prices and shown in column 38 of Section C3 and the appropriate cost(s) in Section F (lines 21, 23, 30 or 36).

22. **Forage Areas** (lines 400 to 404, 407 and 415 to 417)
The areas of forage and of forage crops included in lines 400 to 404, 407 and 415 to 417 are, as appropriate, adjusted downwards by the proportion of the grazing season for which they are let to others.

23. **Total Temporary Grass** (line 402)
These are grass/clover mixtures and grass/lucerne mixtures less than 5 years old. Do not record in multiple cropping any successive cuts off the same area of temporary grass. Temporary grass excludes specially grown herbage seed crops which should be recorded as a principal crop in C1/C2 under crop code 104. They should only be included here when they have ceased to be harvested for seed or where the seed is essentially an unplanned or catch crop. Any hay cut from "herbage seed crops" entered under code 104 should be included under by-products code 327 (grass seed hay). Show the approximate split between temporary grass used for hay, silage and grazing in rows 425, 426 and 427 respectively.

24. **Permanent Pasture and Rough Grazing** (line 403 and 404)
Agricultural permanent pastures (5 years and over) are recorded in line 403 rough grazing in sole occupation in line 404. Only the Principal crops column (col. 1) is to be completed for permanent grazing, even though there may be successive cuts for hay/silage. Show the approximate split between temporary grass used for hay, silage and grazing in rows 428, 429 and 430 respectively.

25. **Land Let to Others for Less than 1 Year excluding Farm Business Tenancies** (lines 406 and 407)
This is **included** in the UAA and is divided into:

(a) Bare land and sales of standing cash crops - the total area of which is entered in C3 line 406, col. 21. For the farmer letting the land the revenue will be entered in Section C3 with MDC=0. (In situations where the farmer is involved with the crop production, rather than just letting the land, this should be treated as share farming and recorded in Section C2 with a type code of 6 (see para. 31).)

(b) Forage including grassland, bare land used for growing forage (e.g. forage maize) and sales of standing fodder crops, the total let area of which is adjusted for the proportion of the grazing season for which it is used, is entered in line 407 col. 21.

Money received from letting land is recorded under revenue (cols. 30) or benefits in kind (col. 38) if let to the farm's labour force. Sales of standing crops to merchants are regarded as contract crops and should be entered in Section C2 with a missing data code of 2.

Where land leased out to others includes SPS entitlements it is unlikely that the elements of rent and SPS will have separate values which can easily be disaggregated in which case the area and total revenue should be recorded in the appropriate row under columns 21 and 30.

26. Turf (line 409)
The area of turf grown and any revenue from it should be recorded in line 409. If the turf is cut from temporary grass a type code of 1 should be entered; turf from permanent grass should have a type code of 2.

27. **Areas of land not in production** (line 424)
Any un-cropped land apart from bare fallow, fertility building crops and set-aside should be entered here. This will include areas entered into Countryside Stewardship or Environmental Schemes. It will include 4 and 6 metre field margins but exclude two metre margins for cross compliance purposes (these are included in the crop area – see para. 15) It also includes voluntary set aside.

28. **Cultivations (Labour and Machinery only)** (line 411)

Only record here the value of **labour and machinery** involved in the total cost of cultivations. This is needed to calculate the total tenant's capital. The value of cultivations entered here includes work carried out using farm labour and farm equipment; the value of cultivations carried out by contractors is included in F1, line 75. Remaining variable costs associated with the value of growing crops, including seeds and plants sown, fertilizer and sprays that have been applied and other miscellaneous crop costs already used on growing crops are valued in Section F1, lines 27, 28, 29 and 30 as if they were still in the barn (see para. 9) Any change in the value of cultivations is entered in C3 line 411 col. 41 and carried forward to H68. When appropriate, the estimated value of cultivations on land bought or sold during the year should also be included here.

Integrated System: Cultivations and Homegrown Seed
Cultivation valuations recorded in Section C3 are based on crop areas and unit costs for the different stages of work at the year end. The cultivations calculator allows the total to be established by recording the individual crop details. Cultivation values may also include an element of contract charges, and any costs included within the calculated cultivation valuation should be excluded from Section C3 row 411 and shown in Section F row 75.

To assist in the allocation of valuations in Section C1 the following year, a working table exists to record any home saved seed and its value within the closing valuation for future reference. This will automatically be allocated to the correct crop the following year.

29. **Land Hired from Others for Less than 1 Year (excluding Farm Business Tenancies and similar informal agreements)** (lines 412 and 413)
This is only for land rented for less than 1 year. It **does not include** land rented in annually on a permanent basis (see section A, paragraph 22). This area is excluded from the UAA (Section A, line 17). It should be divided into:

(a) **Bare land** used **for growing cash crops - the total area of which is entered in line 412, col. 21**.
The area in line 412, col. 21 should also be recorded in Section C2, divided between the appropriate crop codes with the areas entered in C2 col. 22 and MDC=1. Any areas of the same crop grown on the UAA are entered on the same line in C2 col. 21 as normal. The financial data in Section C2 cols. 28, 30, 32, 34, 40 will combine figures for the same crop whether it is grown on bare land rented for less than one year, purchased as a standing crop or grown on the UAA

(b) **Forage rented for grazing under the farmer's supervision, including bare land used for growing forage and purchased standing fodder crops.** Agistment is excluded unless it is minor and short term (see Section E). The total area, adjusted for the proportion of the grazing season for which it is used, is entered in line 413, col. 21.

The area in line 413, col. 21 should be divided between the categories in lines 400 to 404, and 415 to 417. The areas should be entered in col. 22. Areas of forage included in the UAA are included in col. 21 as normal. The financial data in cols. 26, 28, 30, 39, 40, 41 will combine figures for forage rented for less than one year, forage purchased as a standing crop and forage included in the UAA.

The cost of renting bare land or forage for less than one year is entered in Section F2, line 77, column 2. Neither must be included in the gross rent (F2 line 48).

30. **Examples of Lettings and Rentings** (lines 406, 407, 412 and 413)

(a) A farm has 20 hectares of permanent grass and 10 hectares of temporary grass and neither rents nor lets any. In this case 20 hectares is entered in permanent grass line 403, col. 21 and 10 hectares in temporary grass line 402, col. 21.

(b) A farm has 20 hectares of permanent grass and 10 hectares of temporary grass and lets 10 hectares of the permanent grass for 2 months. The grazing season is assessed at 8 months.
In this case temporary grass (line 402 col 21) = 10 hectares. Permanent grass (line 403, col. 21) = 10 + (10 x 6/8) = 17.5 ha, (as 10 ha are not let at all and the other 10 ha are not let for 6/8 of the season). Forage let (line 407 col. 21) = 10 x 2/8 = 2.5 ha, as 10 ha of permanent grass are let for 2/8 of the season.

Note: the UAA of the farm remains unchanged.

(c) A farm has 20 hectares of permanent grass and 10 hectares of temporary grass and rents a further 12 hectares of temporary grass for 5 months. The grazing season is assessed at 8 months.

In this case permanent grass (line 403 col. 21) = 20 hectares. Temporary grass (line 402 col. 21) = 10 hectares. Temporary grass rented in for 5/8 of the grazing season = 12 x 5/8 = 7.5ha; 7.5 hectares is recorded at line 402, col.22 and at line 413, col. 21 (forage hired for less than one year)

Note: the UAA of the farm remains unchanged.

31. **Share Farming Agreements**
These are joint ventures between two separate farming businesses. Both the land owner and share farmer provide some managerial input, *plus* the landowner usually provides the land, buildings and fixed equipment, and the share farmer provides labour and machinery. The output and selected costs are shared in a pre-determined proportion and it is this proportion that is applied to the areas, the production and the revenue entered in the FAS 24. Wherever share farming is recorded in Section C, type code 6 should be used.

For example, a joint cropping venture might be where 100 hectares is shared 40:60 by the landowner and share farmer respectively. In the landowner's account 40 ha is entered in C2 col. 21 (principal crops) and 60 ha in C3 line 406 col. 21 (bare land let to others for less than one year). In the share farmer's account, 60 ha is entered in C2 col. 22 (multiple crops) and 40 ha in C3 line 412 col. 21 (bare land hired from others for less than 1 year). The production and revenue in Section C and the agreed costs in Section F (such as seeds, fertilisers and sprays) are shared proportionately between the two accounts.

Where share farming agreements cover land that is un-cropped this should be entered as forage. So if 10ha of uncropped land is entered in row 424, col.22 (multiple crops) the equivalent area should also be entered in row 413 (forage hired for less than 1 year) col 21.

Another possibility is a joint livestock venture, for example, a flock of ewes on 30 ha, also shared 40% for the landowner and 60% for the share farmer. In the landowner's account 12 ha is entered in C3 line 403 col. 21 (permanent pasture and grazing - principal crops) and 18 ha in line 407 col. 21 (forage let to others for less than 1 year). In the share farmer's account 18 ha is entered in C3 line 403 col. 22 (permanent pasture and grazing - multiple crop) and 18 ha in C3 line 413 col. 21 (forage hired from others for less than 1 year). The livestock numbers and values in Section E and the relevant costs in Section F are also shared 40:60 between the two accounts.

See appendix 21 for further details about share farming agreements and their treatment in the FBS.

SECTION D - MISCELLANEOUS RECEIPTS

Integrated System: Section D
Manual or automated AAP input of data in item rows 16-24 and 46-48.
Bad debts information (row 54) is brought forward from the Financial Page sheet, where bad debtors are shown within suspended debtors in Section G row 93
Profit on sale of machinery is calculated on the MCDEPN and GLASDEPN sheets which contain the full machinery and glasshouse inventories. Any profit on the loss or sale of permanent crops is entered manually
Single Payment Scheme details are brought forward from SPS sheet.

1. **Missing Data Codes**

One of the following missing data codes must be entered for lines 16, 46 to 48 and 73 to 84:

Code	Description
0	No data missing
5	No data missing but zero entry
7	Revenue data refused
8	Revenue data otherwise not available

2. **Interest Received** (line 16)

Enter here the sum of any interest received from bank deposits, building societies, SPS debtors, short term loans to other people etc. on monies temporarily invested outside the farm but which are needed during the rest of the accounting year for financing the farm's business. For instance a cereal specialist selling off the field might invest the proceeds and draw on them during the next few months as bills became payable for seed, fertilisers, labour etc. It also includes interest received on share accounts in agricultural co-operatives. . The opening and closing balances relating to these accounts will appear as financial assets in Section G on lines 21 (short term loans), 22 (cash at bank) or 24 (miscellaneous business assets

Line 16 should **only** be completed if the data available from a farm's records seem reasonably close to the above definition, and the appropriate missing data code must be used.

Interest received on non-farm wealth, or for example on agricultural profits from earlier years' which has been put aside for payment to the Inland Revenue, should not be included in line 16. In general, interest received on deposit accounts that do not form part of the regular financial activities of the farm business should not be included here. The opening and closing balances of such accounts will not be included in Section G.

3. **Items Relating to Previous Accounting Periods** (line 17)

This includes revisions to opening valuations of crops, livestock, EU subsidy debtors and stores (i.e. where different from the closing valuation of the previous accounting year). It also includes any amounts received or paid during the year relating to previous accounting years which were not included in debtors or creditors for those accounting years. The entry in line 17 is calculated as follows:-

D 17 = D 20 + D 21 + D 22 + D 23 - D 24 + D85

The entry in line 17 excludes crop and livestock subsidy refunds and compensation for lost output, which should be recorded in lines 46 to 48 or 55 to 60 if appropriate (see para. 5).

4. **Detail of Items Included in Line D17** (lines 20 to 24)

Where the valuation of crops, livestock, stores, creditors or debtors has been revised since the previous year, this should be entered in the appropriate line, so that this year's account will tally with the previous year's. If the value is increased the entry will be positive; if the value is decreased it will be negative. Where the entry in lines 20 to 22 is based on revisions to valuations over a period of time greater than just the previous year, then a comment must be made e.g.compensation for lead in feed during one accounting year which is not received until the following year and cannot be split between the compensation due to loss of milk revenue and that due to loss of feed, should be entered as a revision to opening debtors (line 23).

5. **Subsidy refunds, compensation for lost output and other payments in previous years** (lines 46 to 48 and 55 to 60).
Where a refund has been paid on a crop or livestock subsidy paid out in the previous year, this should be entered in line 46 (crops) or line 47 (livestock), as a negative figure. Any compensation (including both insurance payments and disaster aid) and other payments (such as subsidies related to livestock quotas allocated late) received in the previous year, **which has not already been included in the previous year's net farm income**, should be entered in line 48 as a positive. Likewise, compensation and other payments received for lost output 2 or more years previously, which was not included in that year's net farm income, should be entered in lines 55 to 60 as a positive. The line codes listed below should be used to enter the following data when relevant;

Line Code	**Description**
Line 55	Payment due in account 2 years previously
Line 56	Payment due in account 3 years previously
Line 57	Payment due in account 4 years previously
Line 58	Payment due in account 5 years previously
Line 59	Payment due in account more than 5 years previously
Line 60	Payment due 2 or more years previously, relating to more than 1 year

Entries in lines 46 to 48 and 55 to 60 should also be recorded in Section G, line 77.

Unlike D17, which is used to provide consistency (or a link) between the previous year and current year account, any entries in lines 46 to 48 will be used by DEFRA to adjust the calculation of net farm income in the previous year (to put subsidies on an 'as due' basis). DEFRA will also be looking into the possibility of adjusting net farm income for years 2 or more years previously, using entries given in lines 55 to 60, if necessary.

6. **Bad Debts** (line 54)
Bad debts are those debts the farmer is doubtful s/he will ever receive any payment for. The opening value of bad debts are entered in D(54)[1] and G(93)[1]. If any payment for bad debts is received, this should be entered in D(54)[3] and the cash in bank entered in Section G(22)[2] or wherever is appropriate. If the farmer decides the bad debt will definitely never be repaid, then it is written off; the value of bad debt written off is entered in D(54)[5]. The closing value of bad debts as entered in D(54)[2] and G(93)[2] is calculated as: opening valuation - revenue received – write-offs.

Notice that if the farmer receives payment for a bad debt he wrote off in a previous accounting period, then this is entered as a negative number in the write off cell (D(54)[5]). This revenue should also be entered in G(22).

Some worked examples are included at Appendix 10.

Where a large sum is involved, and where a significant delay is expected before the matter is fully resolved, it may be appropriate to make provision for part of the expected loss in advance of the settlement date.

Where a bad debt is incurred not from insolvency but through fraud, there may be no final settlement. The debt will have to be written-off eventually; it is up to the farmer and Research Officer to decide when.

7. **Revision to EU subsidy debtors**
Line 85 is for recording EU subsidies only and particularly applies to any adjustments made to single payment scheme closing debtors. Any difference between the estimated payment of EU subsidy in the previous year and the actual amount received in the current year should be recorded in line 85. This value will also be included in line 23 and subsequently form part of the total in line 17. Also record here any repayments made relating to the Single Payment scheme for previous years.

8. **Profit on Sale of Machinery, Glasshouses and Permanent Crops**.(lines 70 to 72)
Record here any profit or loss realised on the sale of machinery, glasshouses or permanent crops. The profit or loss is the difference between the depreciated value of the asset at the opening valuation and the sale value if the asset is sold during the same year. These data are not included separately in the calculation of net farm income as they are embedded within the depreciation calculation in section F, lines 7, 10 and 11 above.

9. **Entitlements to Single Payment Scheme** (lines 73 to 84)
Record here the number of Single Payment Scheme entitlements within each category at the beginning and end of the accounting year. The trading of entitlements should be recorded in the year transactions take place together with a record of any entitlements leased in or out. The value of entitlements and financial details for any trading will be recorded in Section G, S and **I**. The closing valuations of entitlements are based on the monies received for the different types of entitlement in the current year and their discounted future returns, using calculations supplied by Defra. The purchase, sale or award of entitlements are calculated within the SPS sheet and detailed in Section D.

Note that in Wales only lines 81 to 84 will be applicable, and that rows 76 and 80 ceased to exist in England after 2007/08. With the abolition of set aside specific set aside entitlements were discontinued from 2009/10 although the payment rates for those entitlements continued to be based on the flat rate rather than the historical value.

SECTION E - LIVESTOCK

General

All entries in Section E should exclude any output from value-added activities, for example milk bottling and retailing, milk processing (including cheese , yoghurt and ice cream making) and meat processing and retailing (see instruction on Sections I for further details). Value-added activities are classified as non-farming activities and should be recorded in Sections I.

Integrated System: Section E

Opening valuations are brought forward from last year where available.
Purchases and sales data are entered by manual entry or automated Accounts Analysis Programme links, and closing valuations by manual data entry.
Transfers between dairy heifers transferred out and dairy cows transferred in are automatically linked with the same number and value, as are dairy calves transferring to other cattle under one year.
Ewe lambs and gilts in pig also have linked transfers, but transfers of males to bulls are not linked as the ages of transfer may vary.

There are three working tables which produce entries for the core data:

a) Milk for home consumption, wages in kind and fed to livestock is calculated by entering the hectolitres used in spreadsheet cells P44:P47 and values are calculated based on the average milk price received. A similar exercise calculated the values for home consumption and wages in kind of eggs.

b) Sales of other sheep over 1 year are made up of a combination of lowland and upland ewes, rams and other sheep. Enter data into the working table Section E2 V73: W76 and the totals are linked to Section E2 item row 35 item columns 11 & 12.

If this working table is not used ram and ewe sales details will not be included within the BLSA and deprecation calculations.

c)BLSA, depreciation and average livestock numbers are calculated on working tables and linked back to Sections E1 and E2.

Section E1/E2 also calculates the grazing livestock units for each class of stock for Section M, based on average numbers and coefficients. Spreadsheet columns AB in Section E1 and AE in Section E2 allow for average numbers within section E to be adjusted in Section M according to use or non use of forage. For example bull beef or intensive indoor lamb finishing may involve no forage area, so reducing the average numbers reflects a better apportionment of forage. Equally outdoor pigs or poultry may warrant a share of forage costs. For pigs and poultry, it is not the average number which is carried forward to section M, but a fraction to illustrate a percentage share of the forage, with the default that no forage will be allocated. For poultry other than laying hens, the throughput is calculated (col AA, row 39 to 46) and transferred to section M via the livestock and forage worksheet. This is to accommodate a number of batches during the year and allows the gross and net margin to be calculated on a **bird** rather than **per bird place** basis.

Integrated System: Section E
There are a number of references tables at the foot of sheet. One calculates the average values per head of valuations, purchases and sales. Another shows BLSA and depreciation per head, and there is a simple livestock reconciliation for each class of stock.

Definitions of the Columns

1. **Enterprise Code** (col. 1)
The codes to be used are set out in Appendix 4.

2. **Production or Quota During Accounting Period** (col. 2)
The following should be recorded in this column: production on the farm of milk in hectolitres (line 1), milk products in hectolitres of milk equivalent (line 2) (see Appendix 5 for conversion factors), milk quota in hectolitres (line 6), wool production in kilograms (line 36) and eggs in dozen (line 53).

The milk and livestock quotas recorded in col. 2 should be the quotas available to the farmer for the year as a whole, whether leased, allocated or purchased.

3. **Opening Valuation** (cols. 3 and 4)
Livestock whether for breeding, production or sale are to be valued in their present condition at the current market value, based on a conservative valuation, less the cost of marketing (i.e. the ex-farm sale price). The current market value should reflect the level and trend of recent prices rather than any temporary fluctuations of the market (e.g. due to weather conditions). It should also reflect any improvement (or deterioration) in the quality of livestock on the farm.

In exceptional cases the opening valuation may be adjusted so that the differences between it and the closing valuation reflect more accurately the change in market price which occurred during those 12 months. Where this happens the opening valuation will of course be different from the closing valuation of the previous year and the difference should be recorded at D21.

4. **Purchases** (cols. 5 and 6)
Purchases of livestock and livestock products bought for resale should be recorded at gross cost, before deduction of any purchase grants, which should be included under "grants and subsidies" (lines 37 and 83 col. 12). Purchases should be net of any discounts. Where animals are exchanged with or without a cash adjustment, the estimated gross cost should be entered. Where 2 or 3 lines are bracketed together, only the total purchases for those categories need be entered, e.g. the total purchases of beef cows is entered in line 74 cols. 5 and 6, regardless of whether they are on a LFA or lowland farm.

When young stock are purchased with their dam in one transaction, e.g. calves at foot, the separate value of each may be difficult to estimate. In such cases the value of the young stock should be included with the value of the dam, and only the number of dams should be entered in column 5 - the number of young stock should be omitted. Where there are separate transactions for young stock, they should be entered on the appropriate line, care being taken that there is no double entry.

Data on purchases of lowland ewes and shearlings are to be recorded separately from purchases of LFA ewes and shearlings. Lowland purchases are entered in line 29 cols. 5 and 6, and total LFA purchases on line 75 cols. 5 and 6.

5. **Transfers In** (cols. 7 and 8) and Transfers Out (cols. 13 and 14)

For each transfer, 4 boxes must be completed - a transfer out of one category and into another category, with a number and value for each. Overall transfers-in must equal overall transfers-out, in terms of both the number and value of livestock.

Transfers of animals between the beef and the dairy enterprise should be recorded with care so that the dairy enterprise is not subsidised at the expense of the rearing enterprise or vice versa.

Transfers of animals within an enterprise should be recorded only if the transfer is in to the breeding stock. The category from which the breeding animals have come from should record the appropriate transfer out. These data may then be used to calculate BLSA and depreciation. It is not necessary to record cull breeding stock as a transfer- out apart from cull ewes which may under certain circumstances be transferred into other sheep.

The following transfers should be recorded:

(a) All calves produced by the dairy herd must be either sold or transferred out from "dairy calves" (line 5 cols. 13 and 14) into "other cattle under 1 year" (line 21 cols. 7 and 8)

(b) At calving, "dairy heifers in calf" are transferred out of the “Other Cattle” section (line 13 cols. 13 and 14) and into the dairy herd as "dairy cows" (line 4 cols. 7 and 8). Similarly, “beef heifers in calf” are transferred out of line 14 (cols. 13 and 14) into “beef cows” (line 74, cols. 7 and 8).

(c) Dairy cows" may be transferred out of the dairy herd (line 4 cols. 13 and 14) to become "beef cows" (line 74 cols. 7 and 8) in order to rear calves.

(d) “Beef cows” may be transferred out of the beef herd (line 74, cols. 13 and 14) to become “dairy cows” (line 4, cols. 7 and 8).

(e) Bull calves being reared for breeding may be transferred out of "other cattle under 1 year" (line 21 cols. 13 and 14) or "other cattle 1 to 2 years" (line 18 cols 13 and 14) and into "dairy breeding bulls" (line 3 cols. 7 and 8) or “beef breeding bulls” (line 10 cols. 7 and 8).

(f) Bulls may be transferred out of the beef herd (line 10 cols. 13 and 14) and into the dairy herd (line 3 cols. 7 and 8), or from the dairy herd (line 3 cols. 13 and 14) into the beef herd (line 10 cols. 7 and 8).

(g) Female sheep entering the breeding flock should be transferred out of "ewe hoggs" (line 32 cols. 13 and 14) and into "ewes and shearlings one year and over" (lines 29 and 75 cols. 7 and 8). Cull ewes should be transferred out of “ewes and shearlings” (lines 75 and 29, cols 13 and 14) into “other sheep” (line 35, cols 7 and 8); the transfer value of cull ewes should be at a suitable transfer value which may be the sale price if they are to be sold immediately..

(h) Cull rams should be transferred out of “rams and ram hoggs” (line 28, cols. 13 and 14) into “other sheep” (line 35, cols. 7 and 8); the transfer value of cull rams should be at the sale price

(i) Male lambs may be transferred out of “store lambs” (line 34 cols. 13 and 14) into the breeding herd “Rams and ram hoggs” (line 28 cols. 7 and 8). Transfers of lambs from “store lambs” (line 34 cols 13 and 14) to Ewes and shearlings (lines 29 or 75 cols. 7 and 8) may also be recorded

(j) Pregnant pigs should be transferred from “gilts in pig” (line 50 cols 13 and 14) to breeding sows (line 43 cols. 7 and 8).

(k) Store pigs (line 46 cols. 13 and 14) may be transferred into Boars (line 42 cols. 7 and 8). In certain circumstances a store pig may be transferred into breeding sows (line 43 cols. 7 and 8).

(l) Horses for breeding (line 84, cols 13 and 14) may be transferred into other horses (line 85, cols 7 and 8)

(m) Breeding female goats (line 69, cols 13 and 14) may be transferred into other goats (line 71, cols 7 and 8) and other goats may be transferred into breeding female goats.

6. **Closing Valuation** (cols. 9 and 10)
Trading animals or non-mature breeding animals (see definition below) should be valued as indicated under opening valuation (see paragraph 3 above) using the best estimates of the farmer and the RO.

It is particularly important to arrive at as accurate as possible an estimate of the closing valuation of mature breeding livestock (see below) as this will affect the accuracy of both the herd/flock depreciation and breeding livestock stock appreciation.

Normally the values used per head in the closing valuations should be the best estimates of the farmer and the RO. In this case, BLSA and the implied depreciation should be calculated as detailed in Appendix 11. If the depreciation estimate is not credible, the closing valuation and BLSA should be re-examined.

Where estimates of the closing valuation are not available for mature breeding livestock, the closing value should be estimated as illustrated in the examples mentioned below (also see Appendix 6 and Appendix 7 for greater detail) . **It is emphasised that the methods used in the examples are given for illustrative purposes only and should be used for guidance rather than as a set of hard and fast rules.**

The examples shown in Appendix 6 cover the following four scenarios:

Example 1: No significant change in size or quality of herd during year.
Example 2: Significant increase in size of herd.
Example 3: Significant decrease in size of herd.
Example 4: Significant change in quality and size of herd increasing

Mature breeding livestock are defined as female animals that have given birth and males that have been used for service. They are recorded in lines 3 (breeding bulls for the dairy herd), 4 (dairy cows), 10 (breeding bulls for the beef herd), 74 (LFA beef cows), 12 (lowland beef cows), 28 (rams and ram hoggs), 75 (LFA ewes and shearlings), 29 (lowland ewes and shearlings), 42 (breeding boars), 43 (breeding sows including gilts that have farrowed) 84 (horses for breeding) and 69 (breeding female goats). Some of these lines will contain some immature breeding animals (e.g. line 29 will include some ewes and shearlings, one year and over, which have not given birth (see references to Appendix 7 below).

Depreciation and breeding livestock stock appreciation (BLSA) are elements in arriving at a calculated closing valuation for mature breeding animals. Only mature breeding animals are assumed to depreciate , therefore the deduction of BLSA from the value of livestock output is relevant only to livestock of this category.

Centres may use_Appendix 7 as a basis of a worksheet for depreciation and BLSA calculations. If desired, Centres may elaborate on the method indicated. They may also wish to apply the method to homogenous groups of animals, and then aggregate the results, rather than apply it to the herd/flock as a whole. **Only the final results need be sent to Defra on the FAS 24 (after combining the closing valuation for mature and immature animals relevant to the same line of the FAS 24).**

In understanding the construction of closing valuations for mature breeding livestock, it may be helpful to envisage a herd structure although it is not necessary to know the structure of the herd in order to apply the method. The examples are based on the following structure.

Cows	Value per head	Total value
15	1,160	17,400
15	1,080	16,200
15	1,000	15,000
15	920	13,800
15	840	12,600
75	(1,000)	75,000

The method of constructing closing valuations requires an estimate to be made of the average depreciation per head for mature breeding animals purchased during the year. This is given by the difference between the average purchase/transfer price and the average disposal value, divided by the average number of years an animal is in the herd / flock.

If the average purchase price is £1,200 per head and the average disposal value is £600, then the depreciation over an animal's life in the herd is £600. If the herd has 75 cows and typically 15 are replaced each year, then the average herd life is 75/15 = 5 years. The average depreciation per head per year is 600/5 = £120. The depreciation on newly purchased animals may well be less than this because these animals are only in the herd for part of the year; for example, where animals are purchased half way through the year, half a year's depreciation is deducted from the purchase price. However, depreciation will be greater if the purchase price includes a premium, e.g. for pedigree animals, that is not justified by their economic potential.
It should be noted that in calculating depreciation (and closing valuations and BLSA) of mature breeding animals the value of any calf should be excluded throughout. Hence where a down-calving heifer is purchased, or transferred into the herd, at £1,275 and the calf is sold for £85, the starting point for estimating depreciation, would be £1,180.

7. **Revenue** (cols. 11 and 12)
Revenue should be recorded gross of costs and other deductions that are invoiced as contra expenditure on sales vouchers/invoices, e.g. commission on sales, haulage, levy payments, other services and capital contributions.

Revenue resulting from a value added activity, e.g. retailing or processing, should be netted off and recorded in Section I. For example; if a dairy farm is processing some of its' own milk for sale as ice cream, the quantity of milk used for ice cream manufacture in the year should be included in line 2, col. 11, and it should be valued at the price the farmer would have received for that milk had it been sold as wholesale untreated milk to his usual wholesale milk buyer (line 2, col. 12). The margin (i.e. the difference between the sale value of the ice cream and the wholesale value of the milk recorded on line 2, col. 12) is recorded as output in Section I; the costs associated with manufacture will also be recorded in Section I. Similarly, on a farm that has some lambs slaughtered for retail sale through (for example) an on farm butchers shop, the lambs that were slaughtered should be valued at the price the farmer would have received had they been sold through the farms usual livestock market or wholesale marketing channel, the number of lambs and the wholesale value are included on line 33, cols. 11 and 12. The margin (i.e. the difference between the retail sales of meat and the wholesale value of the lambs slaughtered) is recorded as output in Section I, together with any costs associated with slaughter, marketing and retailing.

Revenue includes the value of all livestock (including casualties but not deaths) and livestock products sold (including any re-sales), compensation and insurance claims (for lost output in the current year).

Compensation payments received in the current year for lost output in the previous year not already included in the previous year's net farm income as a debtor should be recorded in D line 48, whether or not they can be allocated to a particular livestock category. Compensation payments received in the current year for lost output more than one year ago should be entered in D lines 55 to 60, if not already included in that year's net farm income. In all cases the figures must be adjusted for debtors.

Producer-retailer levies should not be deducted from milk sales except as a last resort.

Payments received, with the number of animals, under the Bovine Spongiform Encephalopathy (BSE) Order should be recorded here. If the documentation is insufficient, a judgement will be required to allocate the receipts to the appropriate lines. For instance it may be difficult to divide receipts between the dairy and beef enterprises on mixed farms. The number of animals culled under this scheme and the payments received should also be recorded on the appropriate line in Section S.

TB disease compensation paid out by Defra should be entered in the appropriate animal line in Section E and the TB line in Section S (line 86). Payments relating to animals culled out in the current year only should be entered here.

Insurance payments received when farmers have animals infected by TB should also be recorded in Section E, but not in Section S. Insurance payments designed to 'top- up' the payment issued by Defra should be entered in the relevant animal line along with the money paid out by Defra. Insurance payments to compensate farmers for consequential losses arising when TB infected animals are culled should be entered in "disease compensation" (lines 77, 78, 79, 80, 81 and 82), column 12. Insurance pay outs relating to animals culled in the current year only should be entered.

The number of casualties, but not deaths, should be included in col. 11 and the realised value, even if minimal, in col. 12. However, animals which die should **not** be included in columns 11 or 12 but, as for casualties, they should be included in the average numbers (col. 18) for that part of the year when they were alive. Still-born animals and those dying within the first few days of life should be excluded throughout.

Line 75 cols. 11 and 12 allow the separate recording of revenue for lowland ewes (line 29) and LFA ewes (line 75).

8. **Transfers Out** (cols. 13 and 14).
See para. 5.

9. **Farmhouse Consumption and Benefits in Kind** (col. 15)
These are to be valued at ex-farm prices (e.g. the pool price for milk) and comprise:

(a) Own Consumption. Produce (mainly milk, poultry and eggs) consumed by the farmer and family members, together with gifts to visitors, labour etc. If produce is paid for, it should be entered under revenue (col. 12).

(b) Wages in Kind. Produce supplied to employees in return for work. An equivalent sum will also appear in both Sections B and F under labour costs.

Where milk is obtained from a beef herd for consumption by either the farmhouse or labour force, the estimated value should be included under beef cows (line 74 col. 15) rather than whole milk (line 1 col. 15).

10. **Used on Farm** (col. 16)
Record here the estimated ex-farm value of milk and milk products fed to livestock. This excludes suckled milk and, where it cannot be measured, milk fed from a bucket etc. Milk used for livestock feed should be valued at wholesale price if under quota, and at a lower rate to reflect its feed value if over quota, i.e. the cost of milk substitute.

11. **Breeding Livestock Stock Appreciation (BLSA)** (col. 19)
BLSA should be estimated on mature breeding animals (female animals that have given birth and males that have been used for service) only, and entered in Section E col. 19 lines 3, 4, 7, 10, 74, 23, 28,75,29, 38,, 42, 43, 49, 69 and 70. Some of these lines will contain some immature breeding animals (e.g. line 29 will include some ewes and shearlings, one year and over, which have not given birth); BLSA should be estimated for the mature breeding animals only (see para. 6).

BLSA is also used in the estimation of closing values of mature breeding livestock.
As the information required to calculate BLSA (and depreciation and closing valuation) relates to animals which will not normally be separately identified on the FAS 24, Centres may use Appendix 7 as a basis of a worksheet for the calculations. Only the final results need be sent to Defra (on the FAS 24).

For each type of mature breeding livestock, BLSA should ideally be calculated as:

BLSA = R * [OV + T1 *PV - (1-T2)*OS]

Where OV = opening valuation , PV = value of purchases and transfers in, OS = opening value of animals sold (including casualties) or transferred out. **Note that in calculating BLSA all transfers in or out of the particular category of mature livestock have to be taken into account; not just those between the dairy and beef herds recorded on the FAS 24.**

T1 is the proportion of the year that purchased animals were on the farm on average, and T2 is the proportion of the year that animals sold were on the farm on average. R (the revaluation factor) is the factor change in price over the year for the type of animal.

Often OS will not be known and it will be necessary to substitute the value at the time of sale (including casualties) (SV). Where the rate of depreciation between the opening of the year and the time of sales is equal to the increase in prices, OS = SV. Where this is clearly not the case e.g. if prices fall or if a significant number of animals die, it would improve the estimate of BLSA if OS could be at least roughly estimated by adding back the approximate estimates of the depreciation which occurred between the start of the year and the point of sale and taking off a corresponding approximate estimate BLSA.

T1 and T2 = 0.5 if purchases and sales occur on average in mid-year. A guide to national re-valuation increments (R) is given at Appendix 7. Those actually used should reflect any local deviations from the national price trends.

Appendix 6 shows the calculation of BLSA for four different scenarios. It has been used as the basis of the working sheet in the spreadsheet version of the FAS24.

Integrated System: Breeding Livestock Stock Appreciation (BLSA) and Breeding Livestock Depreciation
Automated process of the methodology detailed in Appendix 7 for mature breeding stock:

Details of livestock numbers and values are brought forward from Section E1 and E2.
The values in cells can be altered to reflect farm circumstances, i.e. T values in columns H and T.
The R values used within the calculations are based on the change in average valuations of the breeding stock within that particular farm. That value can be overwritten to express a general Centre figure, Defra R values shown in Appendix 7, or a figure relevant for that farm and enterprise.
Great care is needed when the number of breeding animals is low, or there is a marked change in the quality of the stock due to a large number of purchases or sales of animals, or change in the quality of stock e.g. a farm with a single bull which has an opening value of £600 which is sold, and replaced by another for £1200, would by calculation have an R value of 100%, generating a large BLSA and depreciation, which would be incorrect as the animals are different. The R value of zero however would give no BLSA and the depreciation would be the difference between the opening valuation and sale of the original bull, and purchase price and closing valuation of the replacement, a far more realistic BLSA and depreciation.

12. **Enterprise Output (excl. BLSA and depreciation)** (col. 20)

Enterprise output, excluding BLSA and net of herd/flock depreciation, should be recorded in col. 20. Enterprise output should be recorded for broad livestock enterprises on lines 7(dairy), 23(other cattle), 27 (total cattle), 38 (sheep), 49 (pigs), and 62(poultry).It should also be recorded in lines 66, 67, 69, 71, 84 and 85. It is defined as gross output (sales less purchases, plus closing valuation less opening valuation) adjusted for transfers in and out minus BLSA.

Data on depreciation is required on the FAS 24 to provide the Department with an approximate credibility check on the relationship between the calculated values of closing valuation, depreciation and BLSA. Centres can check the credibility of the estimate of depreciation by calculating depreciation per animal as shown at the bottom of Appendix 7, Sheet 2, and by reference to the calculated figures in the BLSA working sheet.
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When calculated, depreciation should be recorded for all mature breeding livestock in lines 3, 4, 10, 74, 28, 29, 75, 42 and 43. Some of these lines will contain some immature breeding animals (e.g. line 29 will include some ewes and shearlings, one year and over, which have not given birth). Depreciation should be estimated for the mature breeding animals only. A box is provided to indicate if the depreciation figure is positive or negative. It would, however, normally be expected to be **negative.**

Depreciation is defined for mature breeding animals as:

(closing valuation, plus sales, plus transfers out)
minus
(opening valuation, plus purchases, plus transfers-in)
minus
BLSA

Depreciation, BLSA and the closing valuation have to be calculated separately from the FAS 24 because all mature animals will not normally be separately identifiable on the FAS 24. Appendix 6 can be used as an aid in making the estimates and in checking their plausibility; this is assisted by the inclusion of the BLSA working sheet in the spreadsheet version of the FAS24. .

13. **Average Livestock Numbers** (col. 18)
This data is used to calculate the Standard Outputs (SOs) attributable to livestock on each farm and the farm's stocking density. The SO values relate to the presence of animals on the holding for a whole year, and so it is the average number over the whole year that is required. This can be calculated by adding up the population in each month of the year and dividing by 12 (or in each quarter and dividing by 4). For animals whose production cycle is usually less than a year, some of the monthly totals may be zero, as in the example of turkey rearing below:

J	F	M	A	M	J	J	A	S	O	N	D	Total	Average
0	0	0	0	0	0	0	0	0	400	400	400	1200	100

Numbers should be given to one decimal place, except for poultry where whole numbers only should be recorded.

Integrated System: Calculation of average livestock numbers

Average numbers are calculated on a monthly basis, based on purchases, transfers, sales, deaths and home consumption each month.
Animal category details are shown where available, and the total number of animals being transferred in should equal those transferred out.
Details of transfers in and out are shown near the top of each sheet.
Ewe average numbers need allocating within the sheet to identify LFA/non LFA ewes.
If stock moving to or from the holding on agistment were shown as transfers in or out within the average number calculations, then there is no need to enter details in Section E1/E2 column 21.
Please refer to point 66 in Section E instructions

Definitions of the Livestock Categories and other Rows

Section E1

Dairy Enterprise (lines 01 to 08, 77 and 87)

14. **Whole Milk** (line 1)
This covers all liquid cows' milk whether sold by wholesaler or retailer producers, consumed by the farmer or farm workers or used on the farm (e.g. for feeding calves), but excludes direct suckled milk. Production is to be recorded to the nearest hectolitre (100 litres). The quantity and value of sales (cols. 11 and 12) should be shown before deduction of any super levy. Any milk production bonus should be entered in col. 12. The gross profit obtained through the resale of either purchased milk or purchased milk products should be entered in Section I, line 130 rather than here. If for any reason milk is discarded (for example when severe weather conditions make collection impossible) the volume of such milk should be included in column 2 but excluded from column 11. No assessment of the value should be included in column 12.

For some farmers supplying milk a contra charge may be made and deducted from the milk statement in respect of a "capital contribution".

The purpose of the capital contribution is to enable milk buyers who levy this charge, to invest in milk processing capacity. These contributions remain in the name of the farmer and may be withdrawn by the farmer at any time in the future.

The sale value of milk should **not** be reduced by the value of these contributions (i.e. the value of milk sales should be recorded **before** the deduction of the capital contribution).

Deductions for capital contributions should **not** be recorded as a cost to the farm account, instead they should be recorded as a "miscellaneous business asset" in the balance sheet (Section G, line 24). The value of this "investment" will be carried forward from one year to the next, accumulating annually as more contributions are made by the farmer and reduced as any withdrawals are made. Any interest payments made to the farmer by the milk buyer will be recorded in Section D (line 16) as interest received.

15. **Milk Products** (line 2)
Covers farm production of cheese, cream, butter etc. Production is recorded in hectolitres of whole milk equivalent (conversion factors are shown in Appendix 5). The value added element associated with such production should be netted off (see para. 7, revenue). The value entered here should be the price the farmer would have received for that milk had it been sold as wholesale untreated milk to his usual wholesale milk buyer. The margin (i.e. the difference between the sale value of the processed product and the wholesale value of the milk recorded on line 2 col.12) is recorded as output in Section I; the costs associated with processing will also be recorded in Section I .

16. **Breeding Bulls for Use with the Dairy Herd (one year and over)** (line 3)
Includes all bulls, beef as well as dairy bulls, used or destined mainly for service on the dairy herd. It excludes bulls being fattened for slaughter as a policy (entered in line 18), but includes cull breeding bulls sold for slaughter.

17. **Dairy Cows** (line 4)
Includes heifers in milk, down-calving heifers and cows, as well as barren, fat and cull dairy cows. It excludes cows used primarily for suckling calves.

18. **Dairy Calves** (line 5)
All calves produced from the dairy herd whether pure or cross- bred. Only sales and/or transfers out of the dairy herd will appear here. Any purchases, opening or closing valuations will be recorded in "other cattle under 1 year" (lines 20 and 21).

19. **Milk Quota / Super Levy** (line 6)
Enter the annual amount of quota available to the farmer for the year as a whole, in hectolitres, in col. 2. This amount should include any quota leased in and exclude any quota leased out. The amount of milk in hectolitres on which super levy is paid should be included in col. 11 ; the super levy payment is entered in col. 12 as a negative revenue figure.

20. **Leased Milk Quota** (line 8)
The quantity leased in and the amount paid for it should be shown in cols. 5 and 6 respectively; the quantity leased out and the amount received for it should be shown in cols. 11 and 12. When quota is bought or sold the transaction should be entered under milk quotas in Section G, line 38.

21. **Disease Compensation and Insurance Receipts for Consequential Losses** (line 77)
Insurance receipts for consequential loss should be recorded here. TB compensation payments from Defra should not be recorded here but in columns 11 and 12 (revenue) on the line appropriate to the livestock for which the payment was made; these payments are also to be entered in Section S, line 86. In the case of TB payments from insurance companies these may be ‘top-up only’ (likely to be the more common situation) or ‘top-up plus consequential loss’. In the former case, the payments should be treated as additional revenue for the animals lost and recorded in Section E on the appropriate line along with the Defra payment.. Where the farm has been insured for the optional consequential loss, the total payment received will include both top-up and consequential loss elements. ROs should split out the approximate value of the latter and record it here, the remainder should be treated as sale revenue along with the Defra payment. No insurance payments associated with TB whether "top-up" or for consequential loss, should be recorded in Section S.

22. **Miscellaneous revenue from the dairy enterprise (line 87)**
Enter here all revenue associated with the dairy herd not already entered. This may include such items as semen and eggs, show prizes or incidental sales of manure.

Other Cattle Enterprise (lines 10, 12 to 21, 23, 74, 78 and 88)

23. **Breeding Bulls for Use with the Beef Herd - one year and over** (line 10)
All bulls used or destined mainly for service on the beef herd. It includes cull beef bulls sold for slaughter, and bulls over one year being reared for sale as service animals, i.e. not for home farm use. It excludes bulls being fattened for slaughter as a policy (entered at line 18).

24. **Beef Cows** (lines 12 and 74)
Includes barren, fat and cull beef cows. Beef cows should be separated in to LFA and lowland. Animals are deemed to be LFA animals if they spend more than 50% of their time on LFA land. In some cases there may be both LFA and lowland beef cows recorded on the same farm.

25. **Heifers in Calf - Rearing** (lines 13 and 14)
Includes all heifers in calf up to the point of calving. The split between dairy and beef should be based on the same criteria as for dairy cows (line 4) or beef cows (lines 12 or 74).

26. **Fat Cattle Excluding Veal Calves** (line 15)
Includes all finished cattle sold for slaughter, except for cull cows, cull bulls and all calves sent for slaughter. It also excludes bull beef cattle which should be recorded in row 18, male calves between 1 and 2 years of age; further analysis of fat cattle sales required by age and sex

27. **Other Cattle 2 Years and Over** (lines 16 and 17)
Male, excluding bulls (line 16) - includes all bullocks being reared or fattened but excludes bulls in service or being reared for service which are included in either line 3 or 10.

Female (line 17) - includes all females being reared or fattened, except those in calf (lines 13 and 14).

28. **Other Cattle 1 to 2 Years** (lines 18 and 19)
Male, including bull beef (line 18) - covers all male animals 1 to 2 years old being reared or fattened except those being reared for service. Female (line 19) - covers all female animals being reared for beef or for dairy or beef herd replacements, but excludes those in calf (lines 13 and 14).

29. **Other Cattle Under 1 Year** (lines 20 and 21)
For slaughter as calves (line 20). Include all veal, bobby etc. calves sent for slaughter. Other cattle and bull calves (line 21). Covers all male and female cattle, except veal or bobby calves. It includes calves sold at auction but not expected to be sent for immediate slaughter as veal or bobby calves.

30. **Miscellaneous revenue from other cattle enterprises (line 88)**
Enter here all revenue associated with other cattle enterprises not already entered. This may include such items as semen and eggs, show prizes or incidental sales of manure.

31. **Disease Compensation and Insurance Receipts for Consequential Losses** (line 78)
Insurance receipts for consequential loss should be recorded here. TB compensation payments from Defra should not be recorded here but in columns 11 and 12 (revenue) on the line appropriate to the livestock for which the payment was made; these payments are also to be entered in Section S, line 86. In the case of TB payments from insurance companies these may be 'top-up only' (likely to be the more common situation) or 'top-up plus consequential loss'. In the former case, the payments should be treated as additional revenue for the animals lost and recorded in Section E on the appropriate line along with the Defra payment.. Where the farm has been insured for the optional consequential loss, the total payment received will include both top-up and consequential loss elements. ROs should split out the approximate value of the latter and record it here, the remainder should be treated as sale revenue along with the Defra payment. No insurance payments associated with TB whether "top-up" or for consequential loss, should be recorded in Section S.

Split of Section E1
Note that the sub-division of Section E1 ("Other Cattle") into breeding and rearing is only required for farms where the Gross and Net Margin module is being completed. As such it does not form part of the core FAS24 record and the instructions for the splitting of Section E1 are included in the instructions for Module M.

Section E2

Sheep (lines 28 , 29, 32 to 38, 75, 79 and 89)

32. **Rams and Ram Hoggs** (line 28)
Covers all rams and ram hoggs aged 6 months and over to be used for service. It includes rams sold for further breeding, Note that when cull rams are sold they should be transferred from line 28 (cols. 13 and 14) to "other sheep" (line 35, cols. 7 and 8) at their sale value and then recorded as sales in line 35, cols. 11 and 12. These transfers within Section E2 are important as they have implications for the calculation of BLSA and flock depreciation.

33. **Ewes and Shearlings** (lines 29 and 75)
Covers all female sheep 1 year and over in the breeding flock. Ewes and shearlings (one year and over) should be separated into LFA and lowland. Animals are deemed to be LFA if they spend more than 50% of their time on LFA land. Note that in some cases there may be LFA and lowland ewes recorded on the same farm. It includes draft ewes, but excludes cull ewes which are entered in other sheep (line 35). Note that when cull ewes are sold they should be transferred from line 29 or 75 (cols. 13 and 14) to "other sheep" (line 35, cols. 7 and 8) at their sale value and then recorded as sales in line 35, cols. 11 and 12. These transfers within Section E2 are important as they have implications for the calculation of BLSA and flock depreciation.

34. **Ewe Hoggs** (line 32)
Female sheep aged between 6 months and 1 year old to be used for breeding.

35. **Fat Lambs and Hoggets** (line 33)
Record here sales of all fat sheep under 1 year.

36. **Store Lambs** (line 34)
All ewe and wether lambs under 1 year sold or purchased for further rearing and fattening. This will include all lambs on the farms at opening and closing valuation. The annual average number should be calculated taking account of the total time the lambs are on the farm up to the point of sale, including the period between birth and weaning. Lightweight lambs being exported as fat lambs should also be recorded here.

37. **Other Sheep 1 Year and Over** (line 35)
All other sheep over 1 year not included elsewhere. Note that sales of cull rams and cull ewes sent for slaughter are recorded on this line after being transferred form lines 28, 29 and 75; these transfers within Section E2 are important as they have implications for the calculation of BLSA and flock depreciation (see paras. 30 and 31).

38. **Wool** (line 36)
Sales of clip wool only, recorded to the nearest kilo.

39. **Disease Compensation and Insurance Receipts for Consequential Losses** (line 79)
All disease compensation payments should be recorded here.

40. **Miscellaneous revenue from sheep enterprise** (line 89)
Enter here all sales associated with the sheep enterprise not already entered. This will include sales of sheep milk from milking flocks as well as any sales of semen, eggs or manure. Show prize money should also be entered here.

Pigs (lines 42 to 47, 49, 50, 51, 80, 83 and 90)

41. **Boars** (line 42)
Covers all male animals being used for service with the breeding herd but excludes those being reared for breeding but not yet in service (line 46). It includes boars sent for slaughter.

42. **Breeding Sows** (line 43)
All sows in the breeding herd (including gilts which have farrowed and sows destined to be culled). .

43. **Sows for Slaughter** (line 44)
Cull sows for slaughter. Cull sows are transferred in [columns 7 & 8 from the breeding herd [line 43] and are recorded at columns 11 and 12, to aid the calculation of pig herd depreciation

44. **Gilts in Pig** (line 50)
Gilts which have been put to the boar but have not yet farrowed.

45. **Maiden Gilts** (line 51)
Gilts which are destined for the breeding herd but have not yet been put to the boar.

46. **Fat Pigs / Finished Pigs** (line 45)
Certified fat pigs including porkers, cutters, baconers and heavy hogs. Excludes fat and cull sows (line 44) and boars (line 42).

47. **Store Pigs 20 kgs and Over** (line 46)
All pigs being reared for the breeding herd (excluding maiden gilts) or fattened.
In the case of being contract reared no entry is required in column 11, with the only need for and entry for average numbers in column 18

48. **Piglets / Weaners** (line 47)
All pigs under 20 kgs or so. The threshold weight should be treated only as a guideline. Where local practice is to sell / buy weaners at up to 25 kgs this should be used.
In the case of being contract reared no entry is required in column 11, with the only need for and entry for average numbers in column 18

49. **Other Pig Subsidies and Grants Due** (line 83)

50. **Disease Compensation and Insurance Receipts for Consequential Losses** (line 80)
All disease compensation payments for pigs should be recorded here.

51. **Miscellaneous revenue from the pig enterprise** (line 90)
Enter here all sales associated with the pig enterprise not already entered. This will include any sales of semen, eggs or manure. Show prize money should also be entered here.

Poultry (lines 53 to 60, 62, 81 and 91)

52. **Hens' Eggs** (line 53)
Includes eggs from fowls for eating and hatching. Excludes eggs from other birds, e.g. ducks and turkeys, which are to go in miscellaneous livestock receipts (line 66). The gross profit obtained through the re-sale of purchased eggs should be entered in Section I, line 130.

53. **Hens and Pullets in Lay, Cocks and Cull Hens** (line 54)
Includes fowls for eating and/or hatching eggs and also cull hens and cocks sold for slaughter.

54. **Pullets One Week to Point of Lay** (line 55)
Includes rearing cocks of similar age.

55. **Chicks Less than One Week** (line 56)
Excludes chicks purchased for the production of broilers (line 57), other table chickens (line 58), turkeys (line 59) and ducks, geese etc. (line 60).

56. **Broilers** (line 57)
Includes purchases of chicks for broiler production.

57. **Other Table Chickens** (line 58)
Excludes hens and cocks (line 54).

58. **Turkeys** (line 59)
Includes cull birds, e.g. from breeding flocks, but excludes any eggs produced which should be entered in line 66.

59. **Ducks, Geese and Other Poultry** (line 60)
Includes cull birds, e.g. from breeding flocks, but excludes any eggs produced which should be entered in line 66.

60. **Disease Compensation and Insurance Receipts for Consequential Losses** (line 81).
All disease compensation payments should be recorded here.

61. **Miscellaneous revenue from the poultry enterprises** (line 91)
Enter here all sales associated with the poultry enterprise not already entered. This will include any sales of semen or manure. Show prize money should also be entered here.

Other Animals (lines 66, 67, 69, 71, 82, 84 to 86 and 92

62. **Horses for Breeding (farmer owned)** (line 84)

63. **Other Horses (farmer owned)** (line 85)
Enter here any horses owned by the farmer other than those used for breeding. This will include work horses and those used for recreational purposes and racing. Opening and closing valuations are not required for horses kept for recreational purposes although average numbers are required in column 18.

64. **Horses Owned by Third Party** (line 86)
Record here the average number (column 18) of horses kept on livery in the same way as for other agisted livestock. Any income from livery activities (full, part time or DIY) should be recorded in section I (see appendix 25 for a summary of completing livery activities).

65. **Miscellaneous revenue from breeding horse enterprise** (line 92)
Enter here all sales associated with the horse breeding enterprise not already entered. This will include any sales of semen, eggs or manure. Show prize money should also be entered here.

66. **Deer** (line 67)
Covers all deer.

67. **Breeding Female Goats** (line 69)
The revenue from the sale of goat's milk or wool from breeding females should be included in col. 12.

68. **Other Goats (including kids)** (line 71)
Enter here all goats and associated revenue not included in line 69.

69. **Other Animals and Miscellaneous Livestock Receipts** (line 66)
Covers all other animals (rabbits, bees, game reared on the farm etc.) and miscellaneous livestock products and receipts not included elsewhere, but associated with the farm business e.g. honey, goats milk and milk products, manure from goats,, eggs other than hens. Centres can, if they wish, record here the output of livestock kept more or less entirely for providing food for the farmhouse etc. (such as a house cow, flocks of poultry with less than 20 birds), rather than entering them as a main farm enterprise.

Where possible a livestock code should be allocated to this line – see Appendix 4

70. **Disease Compensation and Insurance Receipts for Consequential Losses** (line 82). All disease compensation payments should be recorded here.

Specific Points

71. **Agistment/Contract Rearing**

This is the temporary grazing/rearing of livestock on another farm in return for a payment per head per day (or week or month). It is most commonly done with ewe hoggs by farms that have a shortage of winter grazing or unfavourable winter weather. It is similar to contract rearing in that the animals are on another farm being reared by another farmer who does not own them.

Treatment in the FBS:

(a) **On the Farm Sending the Livestock Away.**
The value and numbers of the livestock are to be included in the opening and closing valuations, but the average numbers refer only to the actual time spent on the farm. Any sales or purchases whilst away are recorded as if they were still on the farm. The agistment charge is included in "coarse fodder" (F1 line 21 col. 2).

Integrated System: Instructions for agistment.
This is when animals are sent away from the holding for a relatively short period of time, with payment on a headage basis. In this case the average number should be reduced by the annual average number of stock off the holding. Equally where stock come from a third party are on the holding for a period, annual average number should be added back.

These calculations can be carried out through the Section E average number sheets. However, where this is not possible an annual average number can be entered in Section E1/E2 item column 21 against the appropriate stock type and the average number adjusted accordingly. The calculation assumes that the holding will send animals off farm, and so the item column 21 figure is deducted from the average numbers calculated. Where stock are agisted on the holding a negative figure should be entered in item column 21.

(b) **On the Farm Providing the Agistment.**
The numbers and value of the agisted livestock are excluded from the opening and closing valuations of the farm, but included in the average numbers (col. 18) in the appropriate line. An enterprise code should be included in col. 1 with 2000 added, as for contract rearing of pigs, poultry and dairy heifers. In the case of ewe hoggs, enterprise code 2064 is put in E line 38 col. 1. If there is another sheep enterprise on the farm then use enterprise code 64 only - do not add 2000. Similarly, if a farm provides agistment for calves under 1 year, enterprise code 2038 is entered in E line 23 col. 1, unless the farm has its own cattle enterprise, in which case 38 is entered in col. 1.

Details of sales and purchases of the agisted livestock are not included on the farm providing the agistment. The payment received for providing the agistment is included in forage revenue and split between the appropriate lines in C3 col. 5.

N.B. Minor short-term agistment [usually during winter period when grass has lower than normal nutritive value] may be treated as follows:

(a) **On the Farm Sending the Livestock Away**.

The annual average numbers are not reduced and the pasture equivalent (in hectares) is entered in "forage hired for less than 1 year" (C 413 col. 21) and in col. 22 of the appropriate line, e.g. 403. The costs of agistment will, as usual, appear under "coarse fodder".

(b) **On the Farm Providing the Agistment.**

The annual average numbers are not increased and the pasture equivalent of the hectares used is put in "forage let to others" (C 407 col. 21, and fees received in C 407 col. 30. The area of the appropriate forage type in lines C 400, 402, 403, 404, 415, 416 and 417 col. 21 is reduced by the amount put in C 407 col. 21.

SECTION F - COSTS

General

1. All costs are recorded here. Each item must only be recorded once in this section. Details of wages, salaries and other employment expenses also appear in Section B.

2. Costs recorded in column 7 exclude private use, capital expenditure and any resale of purchased inputs. Any profit or loss on currency exchange falls outside of the calculation of FBI or NFI and should be treated as section K output or expenditure.

Costs associated with fully independent non-agricultural activities of the farmer and spouse, that is those activities recorded in Module K, should be excluded from the breakdown of costs in Section F. The total costs associated with Section I (integrated non-agricultural activities) should however be included throughout Section F. Section I costs are to be included in columns 1 to 7; column 7 is then subdivided into costs for agriculture (col. 8) and costs for non-agricultural (Section I) activities (col.9).

3. A tenant is defined here as one "at arm's length" from the landlord, i.e. where two of the following criteria are satisfied:

(a) The landlord is not a close family relative.
(b) The landlord does not have a direct financial or managerial role in the day to day operation of the farm.
(c) The rent is assessed under tenant / landlord conditions and is reviewed regularly.

If a tenancy is "at less than arms length" the farm should be treated as owner-occupied.

4. Depreciation

(a) Current costs depreciation

The broad principle is that rates of depreciation should reflect as closely as possible the known conditions of physical deterioration and the likely degree of obsolescence. For buildings, works, glasshouses and permanent crops the diminishing balance is used at the following rates:

Farm buildings such as grain stores etc 10%
Specialist livestock buildings 10%
Glasshouses and horticultural packing sheds 10%

For machinery the diminishing balance method is also used with the rate of depreciation depending on the type of machine. For this purpose, machinery is grouped into five categories (see Appendix 18) with separate rates of depreciation. Depreciation for each machine must fall within the limits prescribed for it.

A full year's depreciation should normally be allowed on machines that enter the inventory during the accounting year, but ROs should use their judgement on machines bought towards the end of the accounting year. It is recommended, but not essential, that the depreciation is calculated and based on the part of the year the particular asset is on the farm. Tax allowances should be disregarded.

(b) Historic cost depreciation

Historic cost depreciation (HCD) is calculated using the original purchase price and the year of purchase. Below are guidelines on how it should be approached according to farm circumstances.

(c) Machinery

Items where original purchase cost and date of purchase are fairly easily available: calculate HCD using actual data.

Items where original purchase cost and date of purchase not fairly easily available: prioritise on basis of current replacement value (CRV), and always try to use actual data for items with CRV of at least £5,000, even where such items are within an inventory pool.

Items where original purchase cost is not fairly easily available or item is in an inventory pool and has CRV of less than £5,000, calculate HCD using current auction value.

Note: Once an item has been taken out of an inventory pool, for subsequent years continue to keep the item out of the pool.

Where items are purchased in the current year, record purchase cost and date of purchase so that this key data is also available for subsequent years.

(d) Buildings, glasshouses and permanent crops
Assume the same writing off period and depreciation rates as for current cost depreciation.

Use actual data in terms of original cost and date, if necessary in consultation with the co-operator.

5. Pooling of Machinery Inventory
For machinery pooling there should be an upper limit of 25% in terms of the value of the pool(s) as a percentage of the machinery inventory as a whole. Machinery pools should be kept as low as possible to ensure accuracy in estimating machinery valuations and depreciation.

Definitions of the Columns

6. Opening and Closing Valuations (columns 1 and 6)
Valuations of stock are made at actual gross cost before deducting any purchase grants but after deducting any other subsidies and/or discounts. The subsidies or grants on minor capital investments (e.g. small scale land improvement schemes) that are usually treated as current expenditure should be included in Section I, line 275. A common method of valuation must be used throughout, e.g. FIFO. Do not include in these valuations home-grown feed and seed which appear in the valuations in the crop output section.

The opening valuation should equal last year's closing valuation (or an adjustment should be included in Section D line 22). For lines 7 (machinery and equipment valuation), 10 (glasshouse valuation) and 11 (permanent crops valuation) the closing valuation should equal the opening valuation plus gross expenditure less sales plus the revaluation increment less depreciation.

7. Gross Expenditure Less Sales (col. 2)
Expenditure is the value of materials and services acquired at gross cost before subsidy, net of any discounts and after adjustment for creditors at the beginning and end of the year. It excludes home-grown produce. It is important that any current expenditure on fixed capital items (for example buildings or major building repairs) such as labour, materials, and machinery costs which have not been deducted from the costs recorded in this section is offset by an equivalent figure under "capital credits" (section I line 940).

Purchases of machinery and equipment are to be valued at gross cost before deduction of any subsidy or grant. Any grant is to be spread over 4 years and recorded in I line 276. For sales, where there is a known difference between the value shown in the opening valuation and the selling price received for a machine, "the balancing charge" will be included as + or - in the depreciation. Where there is a large discrepancy, the RO may, in exceptional cases, at his/her discretion, adjust either the opening or closing valuation or the revaluation increment to avoid too great a distortion in the depreciation figure for that year. Where machines are grouped in the inventory, the balancing charge cannot be identified and will appear automatically in depreciation. If a machine is sold within three years of purchase, any outstanding purchase grant should be credited in the year of sale.

8. Revaluation Increment (col. 3 - Machinery Section)
The estimated increase in the value of machines during the year due to inflation (or part year as appropriate for purchases). It is recommended, but not essential, that the revaluation is calculated and based on the part of the year that the particular asset is on the farm. Revaluation is determined on the basis of producer price index numbers provided by Defra.

9. Own Produce Used on Farm (col. 3 - Other Cost Sections)
This column contains estimates of feeding stuffs and seeds produced on the farm for the farming business, i.e. excluding private use. The figures must equal the total values entered in Section C1 cols. 34 (feed used from previous year's crops), and 36(seed used from previous year's crops) , Section C2 col. 34 (feed used from current crops), and Sections E1 and E2 col. 16 (e.g. milk from the dairy herd fed to calves).

10. Subsidies and Grants (col. 4)

Covers any subsidies and grants on current expenditure specific to individual cost items, except for grants on capital expenditure (i.e. machinery, glasshouses and permanent crops, buildings, improvements and small capital items treated as current expenditure, e.g. small scale land improvements schemes). Unallocated whole farm subsidies are to be entered in Section I, using the appropriate codes as detailed in Appendix 13.

11. Private Share and Drawings (col. 5)
Any purchased items, services or produce used in the farm household or given away must be included in col. 5 of the appropriate line. This may include private share of electricity, heating fuel, water, general insurances, telephone and council tax, as well as vehicle running costs including fuel, repairs, insurance and vehicle tax

12. Costs for Agriculture and Non-agric. Activities (col. 8 and 9).
The sum of these two columns should be equal to the sum of columns 1, 2 and 3 minus 4, 5 and 6. Column 9 should be equal to the sum of columns 2 to 6 in Section I.

Integrated System: Section F1
Opening valuation figures are brought forward from last year, with manual data entry or automated AAP transfer for all costs except machinery, glasshouse and permanent crop depreciation which come directly from their own detailed schedules. New farms will require manual entry of opening valuations.

Other livestock, crop and general farming costs can be built up from a series of working tables to the right of the core data. The advantage of using these working tables is that it allows for greater analysis of these costs, and can help in Section M enterprise margins. The total costs, private share and closing valuations in these working tables are taken into the core data, and any items detailed against Section I activities are grouped together under their cost heading and show in the Section I working table to assist in allocation. However it is the costs in that working table and Section I which appear in Section F1 item column 8, not the entries in the Section F1 working tables.

Three other small working tables exist at the bottom right of the page.
Home-grown feed from Section C1 and C2 and home used milk from Section E1 are shown in total. Any allocation to pigs and poultry can be made, the residual being allocated to grazing livestock, therefore providing the data for Section F item rows 17-19 column 2.
Home use of straw can also be allocated between coarse fodder (i.e. fed straw) and bedding straw. This should however already have been made on the Straw sheet.
The details of specific fuel and electricity drying costs from Section C2 are shown as reference against total costs.

Definitions of the Cost Categories

Section F1

13. Labour (lines 1 and 2)
Treatment of labour costs is described in Section B. The totals for paid and unpaid labour from B line 18 should be transferred as they stand to col. 2. Any training grants such as under the Youth Training Scheme and Work Experience Programmes, should be put in col. 4.

Machinery

14. Contract Work (line 75)
(N.B. this does not include Contract Farming Agreements – see Appendix 15)

This Item should include:

Expenditure on work carried out by agricultural contractors includes payment for the use of equipment and personnel. Cost of materials employed should be entered in the appropriate cost category wherever possible (e.g. crop protection products, line 29)
Contract labour is only included under this heading when associated with the hiring of a machine. Otherwise contract labour (whether employed directly by the farmer or indirectly through a gang-master) should be included under "casual labour".

Any contract charges relating directly to crop and livestock husbandry (when use is made of minor machinery and equipment which is specific to a particular task, and where the value of that machinery and equipment is so small that it would not normally appear in the machinery inventory) should be recorded in other crop costs [OCC] and other livestock costs [OLC] as appropriate. Examples of such charges would include agronomist/crop walking fees (to be entered in OCC), scanning and shearing sheep, foot trimming and freeze branding cattle (to be entered in OLC).

The value of any contract work within the opening and closing value of the cultivations should be entered in columns 1 and 6 respectively of line 75.

15. FBS Treatment of Separate entity Labour and Machinery Sharing Ventures
When a separate entity, labour and machinery ventures may be profit or non profit making. However the charges made to each member of the agreement will include capital and running costs. The treatment below does not require the accounts for the labour and machinery agreement to be provided, which may create recruitment problems.
The recommended methodology is:

a) The charges made by the labour and machinery agreement and paid by the farmer should be included in section F under contract work for the farm. Please note these may need a manual adjustment (see (e) below).

b) If the farmer works within the labour and machinery agreement the time spent should be split between manual and managerial (e.g. directors meetings). The time spent working on his own farm should be recorded in section B.

c) If the farmer receives a wage or reduction in charges by working in the labour and machinery venture these costs should be taken account in the farm return as set out in (d) and (e) below.

d) If the farmer receives a wage, the proportion of the wage earned because of time worked on his own farm should be split from that earned working on other farms. The wage from his own farm should be included in section B. The remaining wage should be entered in section I.

e) If the farmer receives a deduction in the charges (recorded in section F) because of work done for the labour and machinery arrangement the following methodology should be used.

   i. The reduction in charges owed because of work carried out on own farm should be included in section B.

   ii. The reduction in charges owed because of work carried out on other farms should be added back to the contract charge in section F and entered into section I as income.

f) The investment made by the farmer in the labour and machinery agreement should be recorded in section G.

Any net profit arising from the labour and machinery venture should be recorded as hirework in Section I, or any net cost should be recorded as contract in Section F1.

Further details of how to treat Joint Venture Farming agreements can be found in appendix 21.

16. Machinery Rental (Line 76)
This item should include:

Cost of hiring machines driven or used by the farmer's own labour force. (Such machines do not belong to the farm and so should not appear in the machinery inventory or in the balance sheet.)

Subsidies on contract work and machinery hire received in connection with land improvement programmes such as major reseeding should be recorded in section G1 line G10. Subsidies on contract work and machinery hire received in connection with minor capital improvement schemes should be recorded in Section I, code 275.

17. Machinery and Equipment Valuation etc. (line 7)
This includes all items of equipment with an individual minimum value or purchase price in excess of £500 (equipment and tools with a purchase price of less than £500 should be recorded with machinery repairs, line 8, as current expenditure). It includes all machinery and equipment used on the farm, including machinery and equipment used in connection with fully integrated diversified activities (i.e. those activities recorded in Section I). It excludes any element of non-agricultural and non-Section I use, i.e. only the farm business use of a given piece of machinery should be valued. For cars and other vehicles, only those used for agricultural purposes should be valued, and then only the farm share of the vehicle should be recorded.

Machinery and equipment to be included in the valuation is as follows:-

a) Tractors, loaders, forklift trucks and material handlers
b) Farm cars and utilities, commercial vehicles and quad bikes
c) Harvesting machinery
d) Cultivation equipment
e) Other arable and grassland equipment
f) Manure and slurry handling and spreading equipment (but not storage facilities, these should be included in the buildings schedule)
g) Milking parlour and dairy equipment including bulk tanks (excluding buildings)
h) Grain driers, storage and handling equipment (excluding buildings)
i) Pig and poultry equipment including feeding equipment, battery cages, egg packers (excluding buildings)
j) Other miscellaneous mobile and fixed agricultural machinery (e.g. trailers, mill and mix equipment)
k) Small tools (e.g. welders, chain saws, etc.)
l) Office equipment such as computers
m) Major repairs and overhauls of machinery (e.g. new tractor engine)
n) Plant, machinery & equipment associated with investment in green technologies for generating electricity

Machinery and equipment should be depreciated on a replacement cost basis (see Appendix 18 for appropriate depreciation rates). Care should be taken not to overvalue second-hand machinery where a discount on the purchase price of new equipment is added on to the trade-in price of the old machine instead.

Items of machinery initially worth more than £500, but falling below £500 in value, **can** be included in the closing valuation for that year, if Centres wish to do so, and in valuations for subsequent years, providing they remain in use. Alternatively, they can be written off in the year in which their value falls below £500. Effectively the written-off cost will be included as depreciation.

When there is a difference between the written down value and the sale price of a machine, this should be treated as an adjustment on disposal of machinery.

Machinery grants are not deducted from purchases but are spread over an appropriate period (e.g. 10 years) and entered in Section I line 276. A working table to assist in recording such grants is included in the IS FAS24 (Section I).

Where machinery is purchased by a group of, an appropriate share of the purchase price of the machine should be entered in Section F, line 7 col. 2; the share of any running costs should be entered in lines and 8 (repairs) and 9 (fuel).

Integrated System: MCDEPN worksheet
This sheet contains the machinery schedule for the business, and is built up each year with additional items, and marking items which are sold.
Machinery items are coded in relation to their type, and whether they are new, second hand or being treated as a pool item. The different classes of machine have different depreciation rates and revaluation increments.
The sheet contains a number of different columns which will all need completing, with the details linking from this sheet to Section F1, G, T and the Section I working table.

Machine name contains specific details of the item (MF 165, 4 Furrow plough etc)

Code identifies its depreciation rate, revaluation increment and new, 2nd hand or pooled.

% Non-Agric allocates a share of that items depreciation to Section I as non-agricultural, which is than allocated to an activity. I.e. a combine harvester which cuts 100 hectares on contract, and 300 hectares on the main holding, would have an entry of 25%. That share of depreciation would then link to the Section I working table, and be allocated to the contracting activity.
Depn calculates depreciation based on the machine code and year.

CV is the calculated closing value of the machine. Specific items sold will have a zero closing value; pooled items have a closing value after the sale value and depreciation have been deducted.

Type check shows the type of machine based on code.

Depn Non-Agric is the share of depreciation to the Section I activities, based on the % Non-Agric figure.

Profit reflects any profit on the sale of an item, above its closing valuation

Historic cost depreciation is calculated based on the original purchase price and year of purchase. Purchases and sales are copied from the main recording table. For 2006/07 additional details may be required on farms for some of the machinery inventory to calculate the opening historic cost. Items within a pool will have their historic opening valuations taken as the replacement cost closing valuation from the previous year, whilst items with no opening year or original purchase price will be depreciated as if the item had been purchased the previous year. Where either the year of purchase or the purchase price is not known, the spreadsheet shows in column AD the suggested purchase price, and this can be used. However the year of purchase should also be altered to reflect that the item now has an imputed purchase year, indicated in column AE.

18. Machinery and Equipment Repairs (line 8)
These are the cost of repairs, servicing and replacement parts(including tyres etc) for tractors implements, machines, vehicles and equipment included in F line 7. It also includes the purchase of small tools and equipment with an individual purchase price of less than £500. The figures should be entered net of any insurance receipts (i.e. excluding both the cost of repairs and insurance receipts). The EC recommend that major repairs and modifications which increase the market value of a machine (e.g. a new tractor engine) should be treated as capital investment and depreciated in the usual way (see para. 15) Purchases of twine and wire for baling should not be included in this section, but under "other crop costs" (line 30)

19. Machinery and Vehicle Fuels and Oil (line 9)
The gross cost (before any subsidy) of petrol, diesel oil, gas oil, paraffin and lubricating oils and greases is to be recorded in column 2 and the subsidy in col. 4. Coke, coal or oil for heating glasshouses or drying cereals should not be entered here but under heating fuel (line 36). Expenditure should be entered before the private share (col. 5) is deducted. Any charge for the disposal of waste fuels should not be entered here but should be recorded in line 73 general farming costs.

From 2012/13:

- total cost of fuel recorded in line 9 is sub-divided between: road fuel (derv/petrol); tractor fuel (red diesel); oils and other fuels (including propane for powering fork lift trucks).
- Total cost of heating fuel recorded in line 36 is sub-divided between burning oil/kerosene; propane; coal; gas; red diesel and other fuels

20. Producer Organisations
The methodology for treatment of producer organisation levy payments was revised in 2006/07 and should no longer be automatically treated as a trading expense. Each member of the Producer Organisation enters into a five year programme of expenditure which may include capital type expenditure such as new tree planting, erection of polytunnels, cold store improvements as well as trading type expenditure for example technical consultancy, store monitoring and residue testing. The grower will be provided with a summary of expenditure under the operational programme by category at the end of each year.

For FBS purposes this should be analysed according to type of expenditure and entered into the account either as an investment in section G or a trading expense under "other crop costs" in section F. In order to balance the account, the levy paid should first be used to cover the expenditure and the remaining deficit covered by entering a grant received in section I (sundry grants or permanent crop establishment grants) and in the appropriate line of section G column 6. The grant may need to be written off over varying periods of time. If the investment was for planting an orchard then a ten year distribution would be appropriate, however, a polytunnel may be better written off over 4 years [reflect useful life] and the trading items should be all written off in the first year. In some cases the levy paid by the producer may exceed expenditure in any one year. In these instances the surplus should be treated as a payment in advance (in the financial worksheet of the integrated system) and allocated in subsequent years as programme expenditure increases.

21. Glasshouse Valuation etc. (line 10)
Glasshouses and walk-through polythene tunnels (including any associated heating, irrigation and other associated equipment) should be valued on a depreciated written down replacement cost basis using the same method as for machinery. It is recommended that the glasshouses are depreciated on a 10% diminishing balance basis, the metal structure of walk-through polythene tunnels using a 25% diminishing balance, and the polythene written-off over one, two or three years as appropriate and re-valued if necessary.

Repairs to glasshouses and walk-through tunnels should be divided into major and minor. Major repairs should be treated as capital expenditure and entered in column 2 thereby spreading the cost of the repair spread over several years. Minor repairs should be allocated to "occupier's repairs" (line 46 col. 2).

Integrated System: GLASDEPN worksheet
This calculates glasshouse depreciation based on year of purchase and cost in a very similar way to machinery depreciation, with first and subsequent year depreciation rates. Opening valuations are brought forward from the previous year, except for new farms when the opening valuation should be calculated form the year of purchase and original cost. Data from this sheet is linked to Section D, F1, G, T and the Section M working table on Section C2.
Calculation of historic cost depreciation requires the original year of purchase and purchase price. For further guideline see point 4 of the Section F instructions.

22. Permanent Crops Valuation etc. (line 11)
These are crops with a life of not less than 5 years, such as orchards, vineyards, hop gardens, hardy nursery stock stock-plants (i.e. crops which stay in the ground and from which output is taken in the form of cuttings, fruit etc)) and certain biomass crops grown for energy (such as willow and miscanthus). Hardy nursery stock with a production cycle of more than 5 years, where the mature plant is eventually sold, is not included here, nor are strawberry plants and rhubarb (which have a life of less than five years). Hardy nursery stock for sale are trading assets, not fixed assets, and therefore their closing valuation is based upon the instructions for crops included within C2.

The closing value of this permanent stock should be the sum of the accumulated costs of establishment, re-valued and appreciated as appropriate to the parent stock. The valuation of permanent crops differs from that of buildings and works because the value of crops normally increases during the first few years.

Only establishment costs should be entered in column 2; production costs should be counted as current expenditure and included in the appropriate categories in the rest of Section F1. Establishment costs should be a best local estimate and may include the following: plants, ties, collars, stakes, sprays, fertilisers, herbicides, grass seed, windbreak trees, straw, contract work and the cost of the farm's own labour, tractor and machinery involved in establishing the crop (e.g. sub-soiling, ploughing, cultivating, spraying, marking out, planting, staking, tying, pruning, guarding and mulching).

Where a crop comes into production before the maximum value is reached the total costs incurred for the crop in that year should be split between those attributed to production and those to the establishment or increase in value. From the year of maximum value there are no further costs of establishment and so there should only be an entry in col. 2 where a major renovation is carried out, which would then be depreciated over the remaining life of the crop.

From the year of maximum value a permanent crop should be depreciated, on a straight line basis until it is grubbed. Depreciation should be calculated on replacement cost basis and therefore the opening valuation should be re-valued and a revaluation increment calculated. Care should be taken not to depreciate permanent crops too quickly after the maximum value has been reached, otherwise too low a valuation will result; correspondingly care should be taken not to overvalue permanent crops towards the end of their life and thus avoid a large write-off cost in the year of grubbing.

Integrated System: ORCHDEPN worksheet
Permanent crop depreciation and closing valuations are calculated on the year of planting and gross cost. Orchards in their early year go through a period of appreciation as the trees increase in potential, and then will begin to depreciate.
Orchard name, area and *trees/ha* are recorded for reference purposes.
Year planted is needed to calculate appreciation of depreciation.
Life is the expected life expectancy of the orchard.
Gross cost is the cost of establishment
Year grubbed creates a zero closing valuation.
Opening valuations are brought forward for the previous year, or for new farms are shown in the *OV* from *Orig cost column*, and should be entered in the *Open Valn* column.

Historic cost depreciation is calculated on the year of planting and initial costs.

23. Car Mileage Expenses (line 12)
For most farms the costs involved in running farm cars and other vehicles will be included on lines 7 (depreciation), 8 (repairs), 9 (fuel), 38 (insurance) and 72 (vehicle tax). - The value of any private use of farm cars and vehicles (as well as any other private use of machinery and equipment) should be recorded in col. 5 of lines 7, 8, 9, 38 and 72. Appropriate private shares will need to be established by the RO with the farmer.

Alternatively, a notional charge per mile may be entered on line 12. The total cost of using the vehicle is recorded in col. 2 and the private share is recorded in col. 5. Where this is done, code 0 should be put in the missing data code column; in all other cases code 2 must be inserted.

Livestock Costs (lines 17 to 23)

24. Concentrated Feedingstuffs (lines 17 to 20)
For EC farms, both purchased and home-grown concentrates should be split between three main categories of livestock: grazing livestock (horses, cattle, sheep and goats); pigs; poultry and other small livestock. For non EC farms, Centres are asked to allocate feed on as many farms as possible. Where this is not practical the total feedingstuffs (line 20) should be completed.

(a) The cost of all bought compounds and straights are recorded under "gross expenditure less sales" (col.2); these include all compound feeds, cereals and other grains, soya and other proteins, dry sugar beet pulp, maize gluten, milk powder, additives, minerals, vitamin supplements, etc. Wet feeds, such as wet sugar beet pulp and brewers grains are not included here but are recorded on line 21 (bulk feed and coarse fodder) along with other bulk feeds.

(b) Under "own produce used on farm" (col. 3); home grown concentrates such as cereals, beans and peas from both the previous years crops (from Section C1) and current years crops(from Section C2) , as well as milk and milk products (from Section E1)should be included but not forage. They should be valued at the annual average ex-farm price and a contra entry will appear in enterprise output. Exclude costs of preparation by contractors, e.g. milling and mixing and grain drying, which are included in line 75. (Contract work)

25. Bulk Feed and Coarse Fodder (line 21)
The cost of purchased bulk feeds, such as hay, silage, straw for feeding, wet brewers grains, wet sugar beet pulp, stock feed potatoes and other vegetable residues, and also includes payments for agistment and expenditure on the use of common pastures and grazing land. Do not include any forage produced on the holding (except for internal transfers of straw and other by-products for which a market exists - these are included on line 21 in column 3, "own produce used on farm"), (also see Section C3 para. 21) Opening and closing stocks of all home grown forage will appear in Section C3 cols. 3 and 4 and not here.

26. Veterinary and Medicine Costs (line 22)
The cost of all veterinary fees and medicines should be entered here. The costs of treating farm/household pets should be included in col. 5.

27. Other Livestock Costs (line 23)
All expenditure relating directly to livestock production for which there is no separate provision in the other cost headings, this includes.

(a) Service fees (including artificial insemination and bull hire)
(b) Bedding litter (including purchased and homegrown straw) Home grown straw to be entered in column 3 including any costs incurred for baling and carting. NB these should not be recorded under contracting.
(c) Breed society and show fees
(d) Commission on sales and other marketing deductions and levies
(e) Livestock haulage
(f) Dairy sundries (detergents, teat dip, filters, paper towels etc.)
(g) Packing materials
(h) DairyCo LevyMilk company deductions for services (but not including capital contribution – see Section E para. 14, and below)
(i) Milk recording fees and consultancy fees directly related to a livestock enterprise
(j) Working dog expenses (including purchase of dog and dog food)
(k) Cost of contract work relating directly to livestock husbandry (see para. 13), including scanning and shearing sheep, foot trimming and freeze branding cattle.
(l) Cost of hiring a building for a period of less than one year to house animals and/or store products used in connection with livestock production (e.g. fodder and bedding materials)
(m) Cost of disposing of casualty and dead stock
(n) Bio-security costs (e.g. disinfectant)
(o) Integrated Pollution Prevention Control (IPPC) charges
(p) Labour for contract rearing off farm, including cost of rearing dairy heifers

For farmers supplying milk where a charge is made in respect of a "capital contribution", this charge should *not* be recorded as a cost in Section F. Instead, the sale value of milk *before* this deduction should be recorded in Section E.

Integrated system: other livestock costs
To the right of the core details is a working table containing various components which can make up other livestock costs. To assist in the overall calculation of other livestock costs, and also to aid Section M1 completion, this table can be used. The sum of the various columns are enter in Section F1 line 23.
Elements of these costs which relate to Section I activities can be identified within the table, and these figures appear in the Section I working table. However it is the final figures from within the Section I working table which appear in Section I column 2 and Section F1 column 9. The same headings are used in the other livestock allocation area of the livestock and forage sheet where costs are allocated to individual enterprises.
Data entry to the cells is by direct entry or automated transfer.

Crop Costs (lines 27 to 30)

28. Seeds and Young Plants (line 27)
These include gross expenditure net of sales of seeds and young plants, except for forest tree seedlings (but before any subsidy on bought seeds). It also includes the cost of cleaning and dressing home saved seeds by contractors or merchants and any royalty payments incurred.
The estimated ex-farm value of home produced seeds and young plants used on the holding for the current crops (equivalent to the figure appearing in C1 col. 4) are entered in col.3. The value of own grown potato seed should generally be somewhere between certified Scottish seed and the current ware prices.

Subsidies on seeds and young plants received in connection with major re-seeding schemes should be recorded in Section G line 10. Subsidies received in connection with minor capital improvement schemes should be entered at Section I line 275.

Large purchases of orchard trees do not appear here since these are to be considered as an investment in permanent crops (see para. 18).
.
29. Fertilizers (line 28)

Expenditure, after deductions for discounts, should be recorded in col. 2. Fertilizers include all straight compounds and organic manures together with farmyard manure, lime and chalk, peat, soil composts and combined fertilizer / insecticides, sewage, soot, and all waste products.

Subsidies on fertilizers received in connection with major re-seeding schemes should be recorded in Section G line 10. Subsidies received in connection with minor capital improvement schemes should be entered at Section I line 275.
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30. Crop Protection (line 29)
This item includes all herbicides, fungicides, insecticides, slug pellets and dusts.
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Subsidies crop protection products received in connection with major re-seeding schemes should be recorded in Section G line 10. Subsidies received in connection with minor capital improvement schemes should be entered at Section I line 275.
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31. Other Crop Costs ((line 30)
All costs having a direct connection with crop production for which there is no separate provision in the other crop headings, this includes.:

(a) Show fees
(b) Soil analysis
(c) Marketing and haulage (advertising, commission on sales, weighbridge charges etc.)
(d) Packing materials (boxes, sleeves etc.)
(e) Plastic coverings, e.g. the cost of polythene for mulching and low polythene tunnels, including hoops
(f) Supplies for the preservation and processing of crops (e.g. grain storage fumigants and potato sprout suppressants)
(g) Storage and market preparation of crops done outside the farm (e.g. crop cleaning, crop storage and crop drying)
(h) Occasional purchases of crop products processed on the holding, which are complementary to the production of the holding
(i) HGCA and British Potato Council levies
(j) Producer organisation levies where appropriate (see para. 19)
(k) Costs of soil sterilisation
(l) Cost of hiring a building for a period of less than one year when the buildings are used for, say, the storage of cereals, as with some grain marketing and storage syndicates, co-ops., etc
(m) Cost of leasing sugar beet quota
(n) Crop walking/agronomy and other consultancy fees directly related to crop enterprises
(o) Twine and wire
(p) Silage additives, silage sheets and bags
(q) Horticultural sundries

Integrated System: Other crop costs
To the right of the core details is a working table containing various components which can make up other crop costs. To assist in the overall calculation of other crop costs, and also to aid Section M1 completion, this table can be used. The sum of the various columns are enter in Section F1 line 30.
Elements of these costs which relate to Section I activities can be identified within the table, and these figures appear in the Section I working table. However it is the final figures from within the Section I working table which appear in Section I column 2 and Section F1 column 9
Data entry to the cells is by direct entry or automated transfer.

General Farming Costs (lines 35 to 40)

32. Electricity (line 35)

Covers all electricity used in the farm business including that used for heating glasshouses, drying cereals etc. The private share of electricity should be entered in col. 5. It also covers the cost of electricity generated on the farm by means of green technologies which is costed in as a contra item at the same rate as the cost of buying in from the national grid and costed out to Section I to balance off the contra transaction, using one of codes for electricity generated by wind turbines, photovoltaic panels, anaearobic digestion or other green technology power operations.

33. Heating Fuel (line 36)
The entries in this line should cover all the heating fuels except electricity for all farm purposes, including the fuel used for heating glasshouses, drying cereals etc. Any fuel used for chilling produce on farm should also be recorded here. For fuels used for heating glasshouses the gross expenditure (inclusive of the Heating Fuel Tax) less sales is to be entered in col. 2, Heating Fuel Tax Rebates and the Adaptation Subsidy should be included in col. 4. The domestic share of heating fuels should be entered in col. 5. Where definite information is not available because of central purchasing of fuel and reclamation of subsidy, best estimates should be provided.

34. Water for All Purposes (line 37)
Covers cost of water for irrigation, drinking, cleaning, cooling etc. on the farm. The private share should be included in col. 5. It also includes all charges and licences payable for connection to a water supply and for the abstraction of water for irrigation (which appear on the rates statement) where they relate to the farm business. This section does not include drainage rates payable to Local Authorities or River Boards which are recorded under rates (line 47). The costs of using farm owned equipment for irrigation will appear under machinery (lines 7 to 9).

35. Insurance (excluding Labour and Farm Buildings) (line 38)
All insurance premiums covering farm risks, such as the holder's third-party liability, vehicle insurance, fire, flood, insurance against death of livestock and damage to crops etc. The following insurance premiums should **not** be included here: premiums cover for accidents at work. (included in the labour section and in F1 lines 1 and 2), insurance of farm buildings (included in F2 line 56 for all buildings owned by the occupier), and private insurances of the farmer and family. Rental value and imputed rent on tenant's improvements should reflect the cost of insuring farm buildings.

36. Bank Charges and Professional Fees (lines 42 and 43)
Bank charges (line 42)
These should include:

(a) Bank commission on current account (but not interest)
(b) Management fees relating to loan accounts
(c) Overdraft arrangement charges
(d) Safe custody fees

Professional fees (line 43) should include:

(a) Accountants / auditors fees
(b) Valuation fees
(c) VAT recording and secretarial charges (including travelling secretaries)
(d) Legal fees (relating to business activities)
(e) Land agent fees (relating to business activities)
(f) Advisory and consultancy fees (if not specifically allocated to crop or livestock costs).

37. Vehicle Tax (line 72)
All costs relating to vehicle tax should be recorded here. Private share to be recorded in column 5.

38. Other General Farming Costs (line 73)
These include:

(a) General subscriptions (NFU, CLA, Tenant Farmers Association etc.)
(b) Advertising
(c) Office expenses (stationery, stamps, trade papers/journals, computing consumables etc.)
(d) Pest clearance and waste removal
(e) Travel and subsistence in connection with the business (excluding motor expenses, these are included in lines 7 to 9)
(f) Telephone and internet [connection and provider charges] (private share to be recorded in column 5)

(g) Other general costs (shot gun costs, sporting costs associated with a commercial enterprise, hiring a building for less than one year for some other purpose than for keeping crops or livestock)
(h) Disposal costs associated with waste plastics, fuels and oils.

Integrated system: Other general costs
Text box to insert between items 34 and 35
There are a number of costs which go towards making up other general costs. Therefore to assist in calculating the total the working table to the right of the core table lists a number of components. The sums of the data entered into the table are transferred across to line 73 of Section F. Entry to the table can be either by direct entry, or via the automated transfer. Elements of costs that relate to Section I activities can be noted, and the total is shown in the Section I working table for allocation to enterprise.
Any private share of costs can be shown in the working date.

35. Total Costs Before Land (line 45)
This is the total of lines 1 to 43, 72, 73, 75 and 76 (except for lines 17, 18 and 19, which are included in line 20).

36. Directors Remuneration (line 83)
For farms that are limited companies, enter any wages and benefits in kind paid to directors **apart from dividends**, in column 2 and 7 on line 83. In many cases this will be equivalent to the private drawings recorded in section G3 minus any dividends. All benefits in kind must be included such as housing, vehicles, private health care and farmhouse consumption. This total is subdivided between agricultural activities (column 8) and semi-integrated activities (column 9). The latter is derived from column 56 of section I. This data will be used to derive Farm Business Income which is net of directors remuneration.

Section F2

Land and Property Charges (lines 46 to 51 and 82, 84 and 85)

37. Tenant Type Repairs and Current Upkeep of Land (line 46)
This includes the cost of materials used in making repairs to traditional tenant type items such as hedges, fences (including fencing wire), stone walls, thatched buildings (including straw/reeds), ditches, gates etc. Landlord type repairs should be entered here for all tenants on a full repairing lease. The cost of farm labour should be entered in Section B and F1 lines 1 and 2 and not here.

38. Rates and Similar Charges (line 47)
The Uniform Business Rate of an activity should be recorded here if the income from that activity is included in Net Farm Income (perhaps a farm shop or a caravan site). If an activity is not considered part of the farm business, the income earned from that activity should be recorded in Section K after deducting any Uniform Business Rate that is payable. As with the old rating system, agricultural land and buildings are exempt from the Uniform Business Rate. No personal Council Tax payments should be included in the FAS 24, except where an employer is paying part or all of an employee's Council Tax, and this is entered as a perk in Section B. Council tax payments on empty farm worker's cottages and other farm cottages let out commercially should be recorded here.

Rates to local councils or water authorities for regional drainage schemes or effluent disposal should also be included here. Any payments for the abstraction of water however should be recorded in line 37.

39. Gross Rent (FBT/FAT) (line 48)
The actual rent paid by a tenant less any allowances given by the landlord by way of reduction of rent. Where a farm is owner-occupied no entry should be made here, but under rental value (line 50). Where possible, exclude the rent on farm cottages which are let to persons not connected with the holding. Where the cash paid differs from the contract rent, the cash figures should be entered. However, where rent is paid partly in cash and partly by transfer of farm produce or services, the value of the farm produce or services should be added here as a contra item and included in the appropriate output categories as a sale. Where the landlord provides new equipment or buildings, or makes improvements and charges the tenant for interest and amortisation, this will be included as an addition to rent. In subsequent years the new building or improvement will be incorporated in the rent reviews for the rest of the farm. Any sum paid by the tenant but normally the responsibility of the landlord, e.g. fire insurance premia for farm buildings, should be included here.

Where rental arrangements are encountered which include leasing-in SPS Entitlements, the total sum involved [rent and SPS element] should be recorded in F2 Row 48 [Gross Rent] and also recorded in Section R using agreement code 5. There is no requirement to disaggregate the rent and SPS elements.

40. Bare Land Rented in for Less than One Year (line 84)
Sums paid for bare land rented for less than 1 year are to be excluded from the gross rent and entered in line 84

41. Forage rented in for less than one year (line 85)
Sums paid for forage rented for less than 1 year are to be excluded from the gross rent and entered in line 85.

42. Rental Equivalent for Land Farmed on Contract (line 74)
Fees paid for land under contract farming agreements should be included here.

43. Rent paid to trigger SPS entitlements (line 82)
In some cases a notional rent may be charged to a tenant in order to trigger SPS entitlements. This should be recorded here in column 2.

44. Imputed Rent on Tenant's Improvements (line 49)
Where a tenant makes improvements or provides new buildings etc. of a kind for which the landlord is normally responsible, and for which compensation is delayed or not forthcoming, this should be treated as follows:

(a) The net expenditure (gross expenditure less grant etc.) incurred by the tenant is to be capitalised It will appear in the buildings or improvements lines in Section G;
(b) 10% of the net expenditure should be entered here as the annual interest charge in the first year;

(c) In subsequent years the initial 10% figure should be increased by the average rent increase for the year in the district to take account of inflation.

Where a tenant has purchased milk quota, a charge should also be included here reflecting the cost of capital involved. Unlike other tenant's improvements, this charge should not be written off over ten years, but should remain in the trading account for as long as milk quotas exist and have value. When a tenant sells milk quota which has been purchased, the imputed rent should be reduced by an amount equivalent to the interest on the capital value of the quota sold. However, where rents and rental values of existing tenants have not been increased explicitly to recognise the value of milk quota, the Research Officer should make a best estimate of the fall in the total rental charge, which will be somewhere between the interest on the capital released by the sale and zero. Since 2010/11 the imputed rent is based on the market value of the quota owned by tenants at the beginning of each year at a rate of 5%; previously charge based on capital invested

The value of tenant's share of **allocated milk quota** should be excluded from imputed rent. However, where there is an agreed division of quota between landlord and tenant, the value of the tenant's share should be entered in Section G1 line 38.

Whether expenditure is an improvement or not is not always clear, so the Centre must use its discretion. In general, however, expenditure on long term improvements such as water and drainage schemes and, in most cases, re-seeding grants etc., should be considered as permanent improvements. All tenant's improvements, apart from milk quota, should be depreciated as per the instructions in section G..

45. Rental Value (Owner-Occupiers) (line 50)
For the calculation of net farm income all farms are treated as tenanted and the rental value is the notional rent charged for owner-occupied farms. It should be equivalent to the amount paid by a tenant of a similar sized and equipped farm on similar soil in the neighbourhood with equal length of occupancy, including appropriate allowances for any improvements made during the occupation. Rental value on specialist glasshouse holdings should not be treated any differently from other agricultural holdings and should reflect the value of the land for agricultural use plus all the building blocks applied to other accounts e.g. investment in buildings and Section I income generating assets etc. Any investment in glasshouses and equipment is already captured within the account as depreciation in F1, row 10.

Integrated System: Land and property charges
Opening valuations brought forward from last year, majority of costs by manual entry or automated AAP transfer.
Working table to right for the entry of bare land and keep costs to calculate Section F item row 77, with the facility to enter any non-agricultural elements for activity allocation in Section I working table.

Rental value
There are three 'building-blocks' to rental value which are calculated within the "Rental value and tenanted FH worksheet" (see examples in appendix 14)

Revised calculation of Rental Value

Block 1	Rental Value to cover land, house, SPS and milk quota				
					Total
	O/O hectares	0.00	Rate per hectare		0

1. The area of owned land (cell D5) is brought forward from Section A. Enter the rate per hectare (cell G5) to produce a rental value.
2. This figure should represent the rental value of bare land, the business share of the farmhouse, and the purchase of additional SPS entitlements and milk quota.
3. In practice there should be a close correlation between the rate per hectare used this year and the 'Net field Rent per ha' in last year's fieldbook.
4. For dairy farms there may be a need to increase the rent slightly to take account of milk quota purchased in the past, as a 10% charge for milk quota is no longer included in the rental value calculation. However, in the tenanted sector landlords tend to charge a rent for additional quota based on the leasing price of quota. As milk quota leasing prices are at an all time], the effects will be marginal.
5. Guidance will be given for new farms once an analysis of our current rental values has been done.

Block 2 – rental value for buildings based on 10% diminishing balance.

Instead of the net depreciation charge being included as part of the rental value with buildings being written off after 10 years, a diminishing balance figure will be used instead. This should result in a slightly lower charge than before.

Block 2	10% diminishing balance on buildings (from BUILDEPN)	0
	Less building charge on identified Section I buildings and works	0
	(Avoids double counting on income generating assets)	
	Net farming buildings and works contribution to rental value	0

a. For existing co-operators this will still only relate to buildings & improvements erected in the last 10 years. There is no requirement to go back any further.
b. 10% diminishing balance is shown in the far right hand column of the buildings page
c. However, be careful to delete older buildings from the inventory, over 10 years old, otherwise they will be included in the new diminishing balance.
d. For new co-operators record all expenditure on buildings & works [improvements] for the past 10 years, as before *and, all other expenditure deemed 'significant'[that which can be easily recalled by farmer as of material significance for his or her business] for up to 20 years*

Block 3 – Income bearing assets

These are items that appear in Section I, where the income is derived from a farm asset, such as letting farm cottages.

Income Bearing Assets' (IBAs), are defined as what inherently stays with the farm should there be a change of occupier. Hirework is therefore excluded because the machinery used for this activity can move with the occupier.

Definition: Income bearing assets cover all activities in section I, <u>except:</u> SPS Payments; HFA Payments; Environmental Payments; Hirework; Miscellaneous Income; income from Processing and Retailing of Farm Produce. . Typically they include diversified income such as let cottages, storage income, livery, etc. To avoid double-counting do not include the same asset in both 2 and 3.

a. There is a 15% charge on average gross income on income bearing assets, as listed in the fieldbook. The income is averaged over up to three years, depending on when the farm entered the survey. **The figure is automatically shown in I36**.
b. Where an income bearing asset also appears on the buildings page and is depreciated, the imputed rent is not double counted. i.e. there is not a 15% charge in addition to the depreciation charge
c. **Tenanted Farms**
    I. Where rental income is derived from tenanted assets [i.e. the farmer is already paying the landlord a rent for the farm], enter the relevant amount from **cell I36** into **cell I38,** so that it does not count towards rental value on tenanted or mixed tenure farms.
d. Rental value per enterprise for Section I
    I. To help allocate the rental value between the Section I activities, column I has been introduced. These figures will still have to be manually entered in Section I

Imputed Rent for Tenants living in a Tenanted Farmhouse

For tenanted farms where the tenant lives in the farmhouse, an imputed private share of farmhouse rent should be included in Section I, derived from this page; see a) below.

The reason for only including the private share of the farmhouse rent for tenanted farms where the farmhouse is occupied by the farmer is that gross rent paid by the tenant includes farmhouse rent for both the business and private share, whereas net field rent calculated for owner occupiers using the new methodology does not include the private share of farmhouse rent.

a. Use either:
    a. £0
    b. £1,000 for rents up to £10k per annum
    c. £3,000 for rents over £10k and up to £20k per annum
    d. £6,000 for rent over £20k and up to £40k per annum
    e. £9,000 for rents over £40k per annum, where condition scale of farmhouse justifies using highest option for private share of farmhouse rent on tenanted farms

Depending on the amount of rent actually paid which in practice ought to leave a realistic rent for the rest of the farm [land, quotas, SPS, buildings & business share of farmhouse rent]. Option a) is only for exceptional cases where farmer is bound by circumstances to live on the farm under extreme circumstances such as, for example, a National Trust Farm half way up a mountain, where it is deemed not to be a perquisite, though unlikely to see any significant use made of this for farms in the FBS in England.

b. Enter this figure in cell I57, which is linked to Section I

Block 3 15% charge on average gross income on income bearing assets. Detailed below

Section I code		Gross income	07-08	08-09	09-10	Total calculated average output
300	Rent and wayleaves		0	0	0	0
310	Cash rent from sub-letting farmhouse		0	0	0	0
330	Cash rent from farm cottages		6585	7200	7200	1049
350	Other rents from farm buildings		2000	2750	2500	363
400	Recreation		0	0	196	10
410	Equine activities		0	0	0	0
411	Income from livery		0	0	0	0
420	Sports		0	0	0	0
421	Golf		0	0	0	0
500	Tourist accommodation and catering		0	0	0	0
510	Camp/caravan sites		0	0	0	0
520	Bed and breakfast		0	0	0	0
521	Bed and breakfast within farmhouse		0	0	0	0
523	Bed and breakfast within dedicated building		0	0	0	0
530	Holiday cottages		0	0	0	0
540	Catering eg farmhouse teas		0	0	0	0
600	Trading, manufacturing, rural crafts		0	0	0	0
610	Rural crafts		0	0	0	0
620	Trading, manufacturing, rural crafts		0	0	0	0
				9950	9896	
					15% of appropriate income average	1488

46. Total (line 51)
This is the total land and property charges - the total of lines 46 to 50, 74 and 77.

Occupier's Expenses (lines 55 to 57)

47. Where these are not available, code 6 should be inserted in the missing data column. But figures (often best estimates for depreciation) are required for all EC farms for buildings etc. owned by the occupier (i.e. owner-occupiers or tenants who own buildings).

48. Buildings and Works Depreciation (line 55)
This covers buildings, premises and land improvements, e.g. fencing, draining, irrigation, the value of which is entered in Section G lines 31 and 32. Depreciation net of capital grants is shown in order to adjust for the effect of capital grants at the farm level. This figure should be less than or equal to the gross depreciation, i.e. before grant (G lines 31 + 32 columns 1+4+5-7+8-2).

For joint landlord/tenant investment, the tenancy agreement should be used to determine the period over which the tenant's share of joint landlord/tenant investment should be depreciated. Thus if the agreement says in effect that any residual value reverts to the landlord after 10 years, then the tenant's investment should be depreciated over 10 years.

49. Insurance of Farm Buildings (line 56)
Premium (estimated as necessary) paid for hail and fire insurance of buildings, premises, glasshouses and frames on an owner-occupied farm and for any buildings owned by a tenant on a tenanted farm.

50. Estimated Cost of Landlord Type Repairs and Upkeep (line 57)
This refers to the actual or, if necessary, estimated cost incurred by owner-occupiers of all landlord type repairs not recorded in F2 line 46, i.e. those which, on a tenanted farm with a full repairing lease, would still be undertaken by the landlord. The cost of repairs carried out by the landlord on tenanted property must not be included. It would normally include the cost of major structural repairs to buildings (e.g. the re-instatement of roofs and walls) and include non-farm and estate labour specifically employed for such major repair work, the actual cost of materials involved and estimated cost of home- grown timber used.

Interest Payments and Borrowings (lines 65 to 67)

51. These boxes refer throughout to outstanding loans taken out solely for farming purposes, and interest payments on those loans. All three lines must be completed for all English farms and for all EC sample farms in Wales. On those Welsh farms where these data are not available, the appropriate Missing Data Code (7, 8 or 9) must be used.

52. Long and Medium Term Loans (line 65)
All those originally taken out for a duration of one year or more. This will normally include bank loans, loans from AMC, building societies, insurance companies, and similar institutions, and loans from private sources and from the family.

Any penalties incurred for repaying a loan earlier than agreed should be entered as an interest payment and recorded in column 2.

53. Short-Term Loans and Debts (line 66)
These normally include bank overdrafts, hire purchase and leasing agreements (see Appendix 17), and merchants' and other trade credit.

54. Total (line 67)
The total figure should be entered here, even where the split between "long and medium" and "short term" loans is not available.

Integrated System: Interest payments and loans, plus other details for horticultural holdings
Most of data is brought forward from the Financial Page working sheet.
Specific costs for horticultural holdings brought forward or by manual data entry, and historical depreciation is brought forward from the machinery, buildings, glasshouse and permanent crop working sheets.

Specific Costs for Horticultural Holdings (lines 68 to 71)

55. This section should only be completed for horticultural holdings. The four questions do not replace any existing questions in Section F1. These lines are a sub-division of costs which are already included in Section F1; the purpose of recording these here is to provide a more detailed breakdown of costs for “ Horticulture Production in England ” published by Rural Business Research at Reading.

56. The total of marketing charges plus packing materials plus horticultural sundries (lines 68,69 and 70) should already be included in “other crop costs” line 30 in Section F1. The entry for glasshouse heating fuels should already be included in “heating fuels for all purposes”, line 36 in Section F1, but needs recording separately at line 71 to safeguard against overestimating by including non-horticulture fuels

Fert Calc

Background and aims of the study

Historically the FBS has focused on the collection of financial data relating to inputs. Over recent years attention has turned to global warming and farming's contribution to greenhouse gas emissions. To quantify this, more data is needed on the volume of inputs used, particularly fertiliser which has a significant impact on GHG emissions. This data will therefore contribute to a number of Defra objectives:

- provide important data needed to estimate the environmental footprint of farming
- enable farms to benchmark their environmental performance as well as their financial performance
- meet FADN requirements for data on fertiliser quantities

Scope
In order to better measure a farm's carbon or GHG footprint the most important data gap to address is quantity of NPK applied as fertiliser in their inorganic or organic forms.

This study covers all the main farm types, except horticulture, with eligible specialist pigs and specialist poultry farms restricted to those businesses that <u>farm land</u> on which they can, <u>not must</u>, spread manure and/or slurry.

Definition of <u>farmed land:</u>

- Farmed land = UAA + bare land rented in + forage area hired in - bare land let out - forage area let out.

Therefore, if the sum of the above equation is >0, then the farm is eligible. If the farm chooses to export all of its FYM/slurry, then it is still eligible. It is having an area on which the farm can potentially spread FYM/slurry that counts; not whether or not it does so.

Arrangements whereby a farmer 'hires' in land (but pays no actual rent) purely for the purposes of spreading slurry/FYM and the 'landlord' receives the value of the FYM/slurry nutrients as a 'contra' payment are NOT eligible for inclusion in the study.

This is the basis upon which NPK per hectare calculations will be made.

Description of worksheets

General questions
This worksheet includes questions related to aspects of technology, rotations and imposed environmental scheme restrictions of fertiliser use that will assist in the analysis of efficiencies of fertiliser usage.

Question 1:
To what degree do you carry out precision farming techniques on your farm? (i.e. soil mapping and the use of satellite technology to guide fertiliser applications).

Responses can range from 1 = None, 2= All, 3= Some

The use of these technologies by hired in contractors and/or agronomists counts as a positive use.

Question 6:

Restrictions of fertiliser use will be mainly confined to ELS and HLS but there may also be farms that have restrictions under CSS and ESA agreements.
Note: being in a NVZ does not qualify as a restriction on fertiliser use.

Section 1 _ volume data
This is where applications (kgs) of NPK coming from purchased materials are calculated.
For each fertiliser type enter the OV, purchases, sales and CV (all in tonnes). This can either be done directly or via usage of a working table.

There is an inventory list from which Research Officers (ROs) can select the appropriate fertilisers used. Fertilisers that are not on the list can be added, using the cells marked '???'.
A '**quick guide'** to fertilisers is available that will help identify fertilisers that are not in the inventory list.

There are two variations of conversion tables for liquid fertilisers which can be used to calculate kgs of NPK. The first variation is for when the quantity of NPK per litre of product is already declared or known. The second variation is for when this is not the case and only the percentage composition and specific gravity of the product are known.

Section 2
This is where the NPK that is sourced from home-produced and imported FYM and slurry is calculated. In addition to 'artificial fertiliser', slurry and manure can be important sources of NPK. Getting estimates of the contribution of manure/slurry to NPK applications should help to explain where farmers seem to achieve high levels of efficiency in terms of fertiliser use – i.e. this might well be driven by efficient use of manure/slurry. Conversely it should also show where there are inefficiencies – i.e. a high level fertiliser use is accompanied by high applications of slurry/FYM.

In order to estimate the contribution from slurry and manure to emissions at farm level we already have, via the FBS, robust data on animal numbers. Standard values can be factored against these to determine annual production of manure or slurry.

Average numbers of livestock categories will be linked from Sections E1 and E2 (FAS24).

The data entry points are:

- throughput numbers for broilers, other table chickens, turkeys and other poultry.

- allocation of average numbers by housing system(s).
  - percentage of time spent indoors.
  - proportion of FYM and/or slurry produced that was exported off the farm.

- age of FYM.
  Note: FYM spread straight from a building where it has been accumulating for many months counts as fresh.

- slurry application method.
  Note: where more than one application method is used, select the method that is the most common.

- sources (i.e. livestock category) and tonnes of imported FYM and slurry.
  Note: For inclusion in the study, imported FYM and slurry must have been spread during the harvest year in question.

> FYM and slurry standard values have been used to calculate:
>
> - the volumes of FYM and slurry produced by each category of livestock.
> - the NPK compositions of FYM and slurry produced.
> - the losses of NPK between the stage when FYM is produced and when it
>   becomes available to the crop.
> - the losses of NPK that occur when slurry is spread by the various application methods.

Points of clarification

- it is not necessary for a completed fertiliser study record to have an accompanying Section M (gross/net margin) record to be eligible for this study.

- manure/urine deposited at grazing is excluded from this study.

- opening and closing values of manure/slurry are not to be recorded as it will be assumed that manure/slurry is produced and applied in the same year.

- for inclusion in the study, imported FYM and slurry must have been spread during the harvest year in question.

- foliar feeds are excluded from this study.

On-farm recording form
To facilitate the completion of the general questions and Sections 1 and 2 as outlined above, an on-farm recording form is available and can be printed-off on three separate pages:

1. general questions

2. housing-FYM-slurry
   - record system of housing
   - time spent indoors
   - percentages of FYM/slurry exported off farm
   - amounts and types of imported FYM/slurry

  - age of FYM, by type
  - slurry application method

3. additional fertiliser details
   - to assist in expanding summarised details such as those that can be found within some computerised accounts

SECTION G - LIABILITIES AND ASSETS

General

1. Enter here the value of assets and liabilities which are relevant to the production of output (H104) and net farm income (H106). Any capital assets, investment or liabilities specific to diversified incomes recorded in modules K should be excluded where feasible. However, those assets and liabilities which are relevant to integrated farming activities, that is, those recorded in Section I should be included.

2. All assets should be valued at conservative market values. Market Value is the estimated value for which an asset should exchange on the date of valuation between a willing buyer and a willing seller, after proper marketing, where the parties had acted knowledgably and prudently. Market value excludes the costs of sale or purchase. Any value relating to the purchaser's particular situation (special value) should be ignored. For example, a neighbour might pay a premium to secure land adjoining his property; this premium should be ignored.

3. Where the sale of a fixed asset(s) brings about a windfall gain, only the agricultural sale value should be entered in col. 7. The value of the windfall gain, i.e. the sale value over and above that recorded in the opening valuation in Section G1, allowing for errors in valuation, should be entered in line 88 (windfall gains on the sale of fixed assets).

4. When land (or any other asset) is inherited, this should be included in the closing valuation and in investment, and its full value should be entered in funds introduced. Where farms are purchased by sitting tenants the true value of the land should be entered in the closing valuation and the difference between that and the purchase price should be entered in column 8 of Section G as occupier revaluation increment adjustment.

5. All the values in this section should refer to the occupier, except for the landlord's investment (col. 3) and the total grant (col. 6).

6. Entries should be confined to the particular farm specified by the reference number. Exclude other parts of the estate. Where an investment is partly or wholly intended for use with other farmers or growers, only include the proportion appropriate to the farm in the survey.

7. Where expenditure or sales falls into two or more categories (e.g. land and buildings) an estimated apportionment should be made.

8. From 1996/97 and prior to 2009/10 only those buildings and works (including improvements to land) deemed to have a life of 10 years or less (old definition of "Class A") were valued separately from the value of the land. This differs from practice in previous years where buildings and works (including improvements to land) were divided into two classes - Class A being those deemed to have a life of 10 years or less; and Class B being those deemed to have more than 10 years, but no more than 30 years life, i.e. all other buildings.

9. From 2009/10 the methodology for valuing and depreciating buildings has been revised. This brings the FBS into line with the approach used by FADN which does not permit the principle of a zero valuation for investments in buildings and works that remain in use. It is also considered to be a sounder basis for valuing buildings as those older than 10 years can still represent a valuable asset to the farm business.

10. The value of all buildings, regardless of age, will also be shown separately at section G, rows 2, 4 and 6 and will no longer be subsumed within the value of land. The same approach will be adopted for improvements such as roads and drainage although it has been agreed that the residual value of works carried out over 10 years ago can remain in the value of the land.

11. For 2009/10 and for new farms to the survey it is necessary to establish the value of all useful buildings on the farm. Where the original cost of the building is known then the current value can be derived using an annual depreciation rate of 10% (15% for specialist buildings such as pig and poultry sheds and glasshouses) together with the annual revaluation index. On farms where the original cost of a building is not known, it can be calculated by using the current cost for constructing a similar type and size of building. This is then indexed back to the appropriate year to find the original value of the building and then depreciated as per the instructions above. To assist Researchers an updated table of building cost indices is sent out at the beginning of each year.

12. When a building becomes obsolete and is no longer used (e.g. dairy farmers ceasing milk production) then the building can be fully depreciated in that year.

13. Improvements such as roads and drainage are also subject to a 10% depreciation rate. However where mole or tile drains are considered to be no longer functioning they should be fully written off in that year.

Integrated System: Section G
Details of assets, annual investment, liabilities and net worth reconciliation for the accounting year are presented on this sheet. The vast majority of the data on this sheet comes from other sheets within the spreadsheet.
The only direct data inputs are for land, woodland and milk quota purchases, sales and revaluations, other imputed items, windfall gains and other receipts.
Private drawings are entered into an associated working table, with directly or automated AAP transfer. Internal occupation charges from output areas of the FAS24 and private shares of costs are linked to the private drawings.
Cells at the bottom right hand corner of the table indicate whether the account balances or not.

(c) All Tenant's Improvements (even on buildings with a life of more than 10 years)

Buildings on tenanted farms are to be treated in the same way as for those on owner occupied farms.

Integrated System: Occupier's expenses
Depreciation calculated from BUILDEPN sheet with building schedule. Insurance on farm building, landlord type repairs and maintenance completed by manual data entry or via AAP automated transfer.

BUILDEPN
Buildings are depreciated on a diminishing balance basis at either 15% for poultry and pig buildings and glasshouses or 10% for all others. . Details from this sheet link to Section D, F2, G and T.

Description records specific details of the investment.
% Non agricultural allows a share of the depreciation to be allocated to non-agricultural activities.
P for property relates to property works where that share of the depreciation will be excluded from the calculation of rental value as let property rental values use a different calculation.
Year built will establish an opening valuation on new farms.
Gross cost is the original cost of the building, or cost in year.
Grant allows any grant received against works to be associated with a project.
Farm and contractor columns reflect the pattern of work in an investment, and are totalled for Section T.
Sale year and *Value* record sales of buildings.
Open valn will be brought forward, except for new farms where it will need to be entered from the OV from gross cost column which has used year build and cost to establish a valuation.
Hold gains are the revaluation of the building due to changes in building cost index.
Purchases and *sales* are for current year's works and sales.
Gross Depn is the calculated depreciation.
Close Depn is the calculated depreciation.
Net Depn is the calculated depreciation net of grant received against the same improvement.
Open value int is the calculated opening valuation of a building with some non-agricultural use, and *Non agri inv* is the calculated gross non-agricultural investment
Non agr prop is calculated to exclude from the depreciation calculation within the rental value calculation.

Section G1 - Assets and Annual Investment

Definitions of the Columns

14. Opening and Closing Valuations (columns 1 and 2)
Include here the valuation of all assets owned by the occupier, i.e. on a wholly tenanted farm there will be no valuation for land. Valuations should relate to all land buildings, quotas, entitlements, tenants assets, financial assets and other assets of the farm business. Farm buildings owned by the occupier but let for non-agricultural purposes should be included in Section G, and the rent arising from them recorded in Section I.

Separate valuations are required by the EC for agricultural land, woodland, farm buildings and improvements. Care must be taken that the sum of these separate components (line 12) represents a realistic overall value of the farm.

The total landlord type assets of the farm should be valued at replacement cost, i.e. using conservative market prices, reflecting the expected sale price if the whole farm was sold. "Hope" value resulting from the possibility of future residential or commercial development of the land should generally be excluded in arriving at valuations. However, due attention should be paid to local market conditions and to any particular features of the farm which may significantly enhance or diminish its likely sale value relative to the average for farms of that size and type.

The value of buildings and improvements should be depreciated each year, but land, milk quota and SPS entitlements are not subject to depreciation. Land, quotas and entitlements however, may be revalued to reflect changes in market values.

15. Gross Investment (cols. 3, 4 and 5)
This covers all gross investment carried out on the farm including any investment by landlords on tenanted holdings. The previous FBS Sub Committee agreed that it is desirable to obtain a comprehensive measure of the extra resources used on farms and a split of gross investment between landlords, owner occupiers and tenants should be made. For joint landlord/tenant investment, the tenancy agreement should be used for determining the period over which the tenant's share should be depreciated and hence its current value. Where actual figures of landlords' gross investment are not available, best estimates should be sought from the tenant.

For machinery, glasshouses and permanent crops, (i.e. lines 13 to 15), the total cost is to be entered at column 5, i.e. as tenant investment.

The value put on all purchases and investments in the year should be recorded at gross cost before any account of grants. It will include all expenditure during that year and any unpaid bills whether or not the asset was physically completed or used during the year.

The amount entered should be the total cash price, i.e. net of any discounts and excluding all interest payments where hire purchase, leasing or similar arrangements are involved. It should include the cost of site preparation, architects' and surveyors' and land agents' fees, legal charges and the value of all labour used whether hired, family or the farmer's own, paid or unpaid. When the Standard Costs method of claiming grants is used, an estimate of the actual cost should, where possible, be recorded; if this actual value cannot be assessed then the Standard Cost should be entered.

16. Total Grant (col. 6)

Record the total value of grant received in the year, including an estimate (if necessary) of the landlord's share of any joint landlord/tenant investment. The figure in line 32 col. 6 may therefore exceed the figure in line 78 which only covers grants received by the occupier. Grants for major reseeding and similar land improvements should be included here.

The capital value of grants to occupiers given in respect of machinery, glasshouses and permanent crops should be entered here (lines 13 to 15) and should also be written off over a ten-year period in Section I.

17. Occupier's Sales (column 7)
This is the value of sales made by the occupier. The sale of agricultural land should be recorded net of the value of SPS entitlements. This means the sale proceeds must be split between the deemed values for land and SPS entitlements. The unit value generated by the SPS calculator should be used to determine the value of SPS entitlement sold with land.

For example:

- 50 ha sold for £12,000 per ha with 50 units of SPS entitlements results in sale proceeds of £600,000
- Unit value of SPS entitlements brought forward was £600/ha = £30,000.
- Therefore, £30,000 [i.e. 50 * £600] should be deducted from sale proceeds £600,000 (50 * £12,000), leaving £570,000 for sale of land i.e. £11,400 per hectare net of SPS

18. Occupier's Revaluation Increment / Adjustment (col. 8)
This covers the revaluation of the occupier's own assets and investment (as a result of changes in the market value of assets between the start and end of the accounting year). Any revaluation of a landlord's investment should not be included here but should be reflected in a change in gross rent in Section F. Section G line 12 col. 8 will equal either G line 56 or G line 66 depending whether it is positive or negative.

Definitions of the Assets

19. Agricultural Land (line 1)
This includes the utilised agricultural area and other areas of the farm not used for agriculture, except managed woodland. Given that row G 12 (columns 1 and 2) should reflect the expected sales value of the whole holding and since buildings, improvements and other works are valued at their depreciated cost, the agricultural land value may need to be calculated as a residual, net of any milk quota values. The agricultural land value should include any residual value attached to works, such as roads and drainage, carried out more than 10 years ago. .

20. Woodland (line 29)
This covers the value of managed woodland and plantations including standing timber, the area of which is entered in Section A, line 28. These are areas of woodland used for timber, recreation or other purposes which are expected to yield an income now or in the future. Isolated trees and spinneys are not included here but with the value of agricultural land, i.e. on line 1. Column 7 (occupier sales) refers to sales of felled mature wood as well as to sales of land with standing timber.

21. Milk Quota (line 38)
Care must be taken to ensure that there is no double counting of quota values within the land valuation. Quota prices are published by some land agents and Centres might refer to these in arriving at a valuation.

Where additional quota is purchased it should be treated as an investment in that year and in the case of the occupier carried forward into the closing valuation. Otherwise the value of tenant's quota should only be entered where there is agreement between the landlord and tenant as to its allocation. Rental value and imputed rent on tenant's improvements (Section F lines 49 and 50) should reflect the cost of owning milk quota.

Integrated System: Quotas Worksheet
Records the capital movements of milk quota distinguished between owner and tenant investments.
Historical data is recorded back to the inception of milk quotas (1984/85) for rental value calculation purposes, with most of the data carried forward from year to year, the current year's purchases and sales coming from Section G entries.

Details here are used within the rental value calculation.

22. Buildings (lines 2, 4, 6 and 31)

Capital investment in farm buildings should not include expenditure on machinery and equipment, except where buildings are bought with fixed equipment already installed.

Expenditure on farmhouses and garages, including the domestic proportion, should be entered under other buildings (line 6).

For tenanted farms there may be an entry in line 31 cols. 1 and 2 for landlord type buildings owned by the tenant. Where a fully depreciated building is sold, the windfall gain associated with the sale should be reflected in line 88.

When a farm is included in the sample for the first time it will be necessary to assess the value of buildings on the farm using the farmers own records or tax accounts.

23. Other Improvements, Works and Services (line 10)
All improvements to the farm are entered here as well as the installation of any new services (gas, electricity, water, sewerage) or the extension of any existing services to other buildings improvements to or investment in, buildings however is included under buildings. Major reseeding or other land improvements (drainage etc) should be included, with the subsidy element entered in col. 6. Small scale improvements should be treated as current expenditure.

It can be difficult to determine the dividing line between improvements of a capital nature and those that are predominantly repairs and maintenance. To be recorded here an improvement should satisfy at least one of the following conditions:-

(a) be classified as improvements for grant purposes
(b) be eligible for investment grants or allowances
(c) be such as to add to the rental value of the property
(d) be eligible for Section 68 or 314 income tax allowances.

For tenanted farms there may be an entry at line 32 columns 1 and 2 where improvements are undertaken by the tenant without remuneration from the landlord.

24. Producer Organisations
The methodology for treatment of producer organisation levy payments was revised in 2006/07 and should no longer be automatically treated as a trading expense. Each member of the Producer Organisation enters into a five year programme of expenditure which may include capital type expenditure such as new tree planting, erection of polytunnels, cold store improvements as well as trading type expenditure for example technical consultancy, store monitoring and residue testing. The grower will be provided with a summary of expenditure under the operational programme by category at the end of each year.

For FBS purposes this should be analysed according to type of expenditure and entered into the account either as an investment in section G or a trading expense under "other crop costs" in section F. In order to balance the account, the levy paid should first be used to cover the expenditure and the remaining deficit covered by entering a grant received in section I (sundry grants or permanent crop establishment grants) and in the appropriate line of section G column 6. The grant may need to be written off over varying periods of time. If the investment was for planting an orchard then a ten year distribution would be appropriate, however, a polytunnel may be better written off over 4 years and the trading items should be all written off in the first year. In some cases the levy paid by the producer may exceed expenditure in any one year. In these instances the surplus should be treated as a payment in advance (in the financial worksheet of the integrated system) and allocated in subsequent years as programme expenditure increases.

25. The following entries should be the same as in the C, E and F sections:

Machinery	G line 1 col. 1 = F line 7 col. 1
	G line 15 col. 2 = F line 7 col. 6
Glasshouses	G line 13 col. 1 = F line 10 col. 1
	G line 13 col. 2 = F line 10 col. 6
Permanent crops	G line 14 col. 1 = F line 11 col. 1
	G line 14 col. 2 = F line 11 col. 6
Livestock	G line 16 col. 1 = E lines (27 + 70) col. 4
	G line 16 col. 2 = E lines (27 + 70) col. 10
Crops	G line 25 col. 1 = C 299 col. 26+ C 420 col. 26
	G line 25 col. 2 = C 299 (col. 28 + col.28) + C 420 col. 28
Cultivations	G line 27 col. 1 = C 411 col. 26
	G line 27 col. 2 = C 411 col. 28

26. Other quotas (line 37)
Unlike milk quotas, other quotas (line 37) are not linked to the land; they are therefore to be counted as tenant-type assets.

27. The revaluation increment adjustment (col. 8) for sugar beet contract entitlement should be such that the closing value reflects the market value of each asset, according to local market conditions.
28. Liquid Assets (lines 21 to 23 and 89 to 91)

(a) Cash at Bank
Cash at bank (line 22) should be recorded on an adjusted basis, i.e. adjusted for unpresented cheques.
(b) Debtors
Debtors should be recorded separately for livestock subsidy debtors (line 89), crop subsidy debtors (line 90), EU subsidy debtors (line 107) and all other debtors (line 91). Subsidy debtors are those values which are due for the current year but are paid in the following year.

The opening value of debtors should record the closing value of debtors as in the previous years farm return. Adjustments to debtors between the previous close and the opening of the current year *should be entered in Section G line 77 and also in section D lines 20 to 24 and line 85.*

The closing valuation of debtors should record all monies due relating to the account year, but which will not be paid until the following year.

Crop subsidy debtors should contain monies due for crop schemes which have not been received by the end of the account year.

29. Suspended Debtors (line 93)
The opening and closing valuations of any bad debts written off during 2006/07 should be recorded here. The closing valuation will be the opening valuation minus any revenues received through part-recovery minus the absolute value of any amount written off. Some worked examples of bad debt treatment are given at Appendix 10.

30. Miscellaneous Business Assets (line 24)
These cover other farming assets not elsewhere specified, such as shares in co-operatives and machinery syndicates, stinted grazing rights, goodwill etc. If such shares are received during the year, they should also be recorded as funds introduced in Section G3, line 76. However, a distinction must be made between the assets of the business and the assets of the farmer or farm manager. Where shares confer preferential trading to a farm business, such as those held in a co-operative, these should be counted as an asset of the farm business and recorded here. The value of such shares should be recorded at cost, and any profits generated from the sale of (or dividend from) these shares should be recorded as a windfall gain. All other shares, such as those in non-agricultural businesses, should be assigned to the individual rather than the farm business; the dividends from these shared should be included in Section K, and the value of the shares held are not to be included in Section G. .

Shares held in Dairy Crest and the groups replacing Milk Marque <u>should no longer be recorded in Section G</u>, and dividends from these shares should be recorded in Section K.

Capital contributions made by dairy farmers to milk buyers should also be recorded as a miscellaneous business asset (line 24). Capital contributions are deducted from milk statements received by farmers to enable milk buyers to invest in milk processing capacity. These contributions remain in the name of the farmer and may be withdrawn by him / her at any time in the future. Any interest payments made to the farmer in respect of these contributions should be entered in Section D, line 16.

Goodwill rarely occurs in the FBS, which is undoubtedly due to the nature of the business of farming compared with other businesses such as manufacturing and retailing. The value of any purchased goodwill should be recorded as an MBA and written off over a maximum of five years by straight line depreciation. The fall in the value is to be treated as a negative revaluation and not a cost to the business. The rationale for ignoring the cost in the Net farm Income calculation is it would cause distortion to the normal costs structure of a farm business for benchmarking purposes. It could be argued the cost should be identified for computation of Farm Business Income, but given the rare occurrences of such costs it is hard to justify the inclusion of new cells in the FAS to record the amounts involved.

Integrated System: Financial Worksheet
This contains the individual details of loans outstanding and credit balances, and is used as a working table for the completion of Section G. Opening valuations are brought forward from the previous year with the closing balance calculations linked into this year's Section G. Capability of loan repayments and additional loans to be recorded and can also be used to reconcile account statements.
"Interest received" entered here is linked to Section D.
Other cells can be completed by manual entry or automated AAP transfer

31. Investment in off farm crop storage (line 106)
Enter here any investment in co-operative or shared grain storage that is not physically on the farm.

32. Single Payment Scheme Entitlements (lines 94 to 105)
These cover the value of entitlements associated with the Single Payment Scheme. Defra will provide guidance on valuations to reflect market conditions. Any changes in value between the start and end of the accounting year will be recorded as revaluation increments; any revaluation adjustment should also be entered in line 58 of Section G3 if positive or line 68 if negative. It has been agreed that entitlements from the National Reserve should be allocated a zero value as they cannot be traded for 5 years.

Any trading of entitlements should be recorded in the year the transaction takes place. The number of entitlements held and traded are recorded in Section D.

Note that any interest accrued on late payment of SPS entitlements should be recorded in the usual way, i.e. in line 63 of G3 as well as line 16 of section D.

Integrated system: Single Payment Scheme (SPS)
This working sheet is the central recoding point of the Single Payment Scheme, with the information here linked to Sections D, G, I and S. This ensures that the various types of entitlement are consistently recorded across all Sections.
Data within this sheet is also used for the calculation of the opening and closing valuations using the Defra supplied 'Value of payment entitlement calculator' which includes the Calculator, Control panel and New calculations sheets, the last two of which are hidden within the spreadsheet.
Data in this sheet will be either direct by RO or automated via AAP, average values are calculated within the sheet.

Section G2 - Liabilities

33. Loan Accounts (lines 40 to 46)
Enter here all loans exceeding 12 months, which relate to the farm business, taken out for a period exceeding 12 months. Such entries should cover outstanding capital only. Hire purchase and leasing arrangements (even if taken out for a period exceeding 12 months) should be considered as short term loans and recorded under current liabilities. Bank term loans exclude overdrafts which are recorded under current liabilities.

G45: In virtually all cases loans will fall into the categories covered by lines 40 to 44. Only in very occasional circumstances will an entry be necessary in G45 for example when a loan is from a wealthy friend or former landlord (non-family/non-institutional).

34. Current Liabilities (lines 47 to 52)
As with loan accounts these should be only those relating to the farm business. These include hire purchase, leasing, creditors, bank overdraft and other short term borrowings (for less than 12 months). Opening and closing balances for hire purchase and leasing refer to the outstanding capital element only (see Appendix 17).

35. Total External Liabilities (line 53)
= sum of Total Loan Accounts (line 46) and Total Current Liabilities (line 52)

Integrated System: Lease and Hire Purchase Worksheet
This sheet carries out the calculation detailed in Appendix 17 for up to 10 items of machinery with a lease or HP agreement. It will show a number of agreements running concurrently, and show the calculated interest and capital for each agreement base on the original loan, term and payment. Each year the opening balances are taken from the previous year's closing balances for each agreement, and recalculated for the current year.

The top section is used to enter the new agreements each year, of type code, purchase year, amount borrowed, cost per repayment, total number of repayment, number of repayment in the first year and subsequent years. Once an agreement reaches the end of its term the "delete entry" message shows which means that information can be removed from that row, and is available for a new agreement.

The second block of calculations generate the interest and capital repayments in the current year, for the agreements listed above, with the total interest being linked into the Financial Page, and outstanding balances into Section G.
Key details that are required are the amount borrowed (not the cost of the item itself), the length of the loan, and how many repayments are in the initial and subsequent year's.

Working tables on this sheet also show the distribution of new leases and HP's across the range of machine types, and then link to Section T.

Section G3 - Net Worth Reconciliation

36. Net Worth Reconciliation (lines 54 to 88)

(a) The figure of Net Worth will be derived from total assets (line 33) less external liabilities (line 53). Centres must attempt a reconciliation between opening Net Worth (line 54 col. I) and closing Net Worth (line 80 col. 2). This involves adjustments for the profit or loss during the year, the appreciation or depreciation of business assets and the transfer of funds out of, or into the business.

(b) To arrive at the profit or loss of the business, net farm income (H 106) is included, along with any items which were added or subtracted in the derivation of net farm income in order to put owner occupied farms on a tenanted basis as well as any imputed items (i.e. where an actual cash transaction is not made). If net farm income is positive it is added at line 82, if negative it is subtracted at line 85. The imputed rent on tenant's improvements is added back at line 59, and the depreciation on occupier's buildings and improvements is subtracted at line 69. The rental value for owner occupiers is added back at line 60, and occupier's landlord type expenses are deducted at line 70.

(c) Unpaid labour is added back at line 61 and any other imputed items are added back at line 62. The latter will include board and lodging (i.e. the benefit value, at prescribed AWB rates, of residing or taking meals in the farmhouse which is included within workers' gross wages and salaries) and the value of the farmer's or spouse's labour used in erecting a building or establishing a permanent crop. Any interest received is added at line 63, whilst total interest paid is deducted at line 71.

(d) The revaluation of assets during the year will alter the net worth. For property or improvements, any appreciation should be added at line 56 and any reduction deducted at line 66. For machinery, glasshouses, permanent crops and tenant-type quotas, any appreciation is added at line 83 and any decline deducted at line 86. For livestock, any appreciation (i.e. positive figure for BLSA) is added at line 84 and any decline deducted at line 87. Any other adjustments to asset valuations, including Single Payment Scheme Entitlements, should be added at line 58 if positive and subtracted at line 68 if negative.

(e) Transfers out to off farm investments, i.e. investments in capital outside the farm business are deducted at line 72, and those for private expenditure at line 73. The former comprise transfers to personal building society accounts, the purchase of stocks and shares, the purchase of property and other assets unconnected with the farm business, and the payment of capital gains tax The latter comprise drawings to pay personal taxes, corporation tax, private insurance premiums, national insurance for farmer and spouse and living expenses. Details can be given in the unnumbered spaces.

(f) Transfers into the business may come from off-farm investments or from other private funds, such as earned and unearned income from off-farm sources. Any transfers of this kind should be added at line 76 under funds introduced.

(g) Windfall gains should not be recorded here, but instead on line 88, where the total sale value of the fixed asset sold for a windfall gain, over it's expected agricultural value (e.g. land and/or buildings for development). For fully depreciated buildings, the value of which have been subsumed in the land value, the windfall gain will simply be the sale value. Where a farmer receives a lump sum for wayleave payments for the next 20 years or more from a electricity or mobile phone company etc., this should be recorded a windfall gain; if it is not paid as a lump sum, but as a yearly payment, it should be recorded in Section I.
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(h) Any receipts not included in net farm income and not included in opening debtors should be entered in line 77 ('other receipts'). These will include the difference between any estimated subsidies received as due the previous year and the actual subsidies received (this will be a positive figure if the actual was greater than the estimate). Also included will be any payments received as part of the sugar beet restructuring aid as well as entries in Section D lines 46 to 48, and 55 to 60. As it will contain the difference between livestock subsidies paid and the estimates of those subsidies in the previous year, the entry in line 77 may be positive or negative. Any receipt in the form of capital grants for buildings and improvements should be added at line 78; only the occupier's share is recorded here, unlike in lines 31 and 32 col. 6, where the total grant on joint landlord/tenant investment is entered. Capital grants on machinery, glasshouses and permanent crops, to be added at line 79.

(i) Where transfers of funds between the farm business and private accounts take place in both directions within the same accounting year, these should be combined and the resulting net figure included in either line 72 (Transfers out to off-farm investments) or line 76 (Funds introduced) as appropriate.

SECTION H1 - VAT

1. VAT Status (line 1) (all farms)
Value Added Tax (VAT) is charged on almost all inputs to and non-food outputs from the agricultural industry and is shown separately on all invoices.

Most farm businesses are registered for VAT. This means that the business must pay VAT on inputs but it is then entitled to claim it back from H.M. Revenue and Customs (HMRC); the business must also charge VAT on the sale of goods and services that attract VAT (e.g. contract work, sale of flowers, ornamental plants and wool) and this must be paid over to HMRC. Note that sales of food products are zero rated for VAT purposes (i.e. sales of products such as milk, cereals and livestock etc. do not attract VAT).

Some small businesses may opt to be exempt (or zero rated) for VAT purposes; these businesses cannot reclaim VAT paid on inputs and cannot charge VAT on outputs.

Additionally, farm businesses may choose the flat rate scheme for small businesses. Under this scheme the farm cannot reclaim VAT paid on inputs, but they can charge VAT at the standard rate on goods and services that attract VAT; however, they are only obliged to repay a proportion of the VAT charged over to HMRC (currently 6% of the gross value of sales – including VAT at the standard rate).

The following codes should be used to indicate the VAT status of the farm:-

Code	Description
1	Exempt
2	Registered
3	Flat rate scheme

2. Recording expenditure and income in the FAS24
All entries (expenditure and revenue) in the FAS24 must be exclusive of VAT for farms that are registered for VAT.

For farms that are exempt (or zero rated) expenditure and revenue (where applicable) will be inclusive of VAT.

For farms that have chosen the flat rate scheme, expenditure will be inclusive of VAT but revenue (where applicable) will be the gross value of sales (inclusive of the standard rate of VAT) less the amount of VAT repaid (at the lower rate) to HMRC.

3. VAT Paid on Current Expenses (line 3) (for exempt farms only - leave blank for registered farms)
The total amount of VAT paid on current expenditure on exempt and flat rate farms should be recorded here . This line should be left blank for registered farms.

This records the VAT paid by the farm on items of expenditure, except expenditure on fixed assets. Include VAT paid on stocks which are still in store at the end of the year (and therefore in the closing valuation).

4. VAT Payable on Fixed Equipment (line 4) Record here the VAT which is paid by exempt and flat rate farms on items of fixed assets such as machinery. Leave blank for registered farms

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SECTION H4 - CALCULATION OF NET and FARM BUSINESS INCOME

1. Transfer all the totals from the previous sections to this summary section remembering to (-) in the box provided where the figure is negative. Where no sign is provided it is taken as being positive..

2. Net farm income, excluding BLSA (line 106)
The entry in this line should be the product of net farm income excluding BLSA and excluding write offs from bad debts(108).

Integrated System: Section H
H4 calculates net farm income by bringing together the various component totals of income and costs, with the exception of exceptional items.
Two working tables identify the changes in livestock, crop and store valuations, and can be used to enter co-operators own details for comparison purposes. The difference in valuation links into a summary table which takes the FAS24 net farm income, and makes a series of adjustments to calculate a figure closer to a traditional farm profit. Farm business income has the imputed elements removed, while interest is included.

SECTION I – MISCELLANEOUS AND INTEGRATED NON-AGRICULTURAL ACTIVITIES

General

1. Section I covers all the miscellaneous revenue not recorded in Section C and E. This section is to be used to record non-production specific and environmental subsidies, the output from non-agricultural activities that are fully integrated into the farm business (and an indication of the costs involved with these activities), and other miscellaneous revenue.

N.B. the output from all these receipts and activities will form part of overall farm output and as such will be included in the calculation of Net Farm Income.

Payments and revenues from the following schemes and activities are all to be included here:

(a) Non-production specific subsidies, including Single Payment Schemes (see codes 230 to 240, and 800 to 822 in Appendix 13 for a comprehensive list).
(b) Agri-environment scheme payments, including Entry and Higher Level Stewardship, Countryside Stewardship and Environmentally Sensitive Areas (see codes 211 to 221, 262 to 265 and 299 in Appendix 13 for a comprehensive list).
(c) Payments for project based schemes, including income from feed-in tariffs arising from green technology electric generating operations (see codes 251 to 255 in Appendix 13 for a comprehensive list).
(d) Other grants and subsidies (see codes 271 to 277 in Appendix 13 for a comprehensive list).
(e) Non-agricultural activities that are fully integrated into the farm business (see para. 2 below for a definition of “fully integrated”). Such activities will include:

- **(i)** Processing and retailing of farm produce (see codes 100 to 142 in Appendix 13 for a comprehensive list).
- **(ii)** Revenue from rent and wayleaves, including the imputed rent (private share) of the farmhouse; (see codes 300 to 390 in Appendix 13 for a comprehensive list).
- **(iii)** Revenue from recreational activities (see codes 400 to 421 in Appendix 13 for a comprehensive list).
- **(iv)** Revenue from tourist accommodation and catering activities (see codes 500 to 540 in Appendix 13 for a comprehensive list).
- **(v)** Revenue from trading, manufacturing and rural crafts (see codes 600 to 620 in Appendix 13 for a comprehensive list).
- **(vi)** Revenue from the provision of services (see codes 700 to 730 in Appendix 13 for a comprehensive list).
- **(vii)** Other miscellaneous receipts (see codes 900 to 960 in Appendix 13 for a comprehensive list).

It should be noted that the output, costs and margins from Section I activities are fully reflected within net farm income (Section H), and in the record of the liabilities and assets of the farm business (Section G).

2. Non-agricultural activities that are fully integrated into the farm business are activities whose very existence depends on the core farming activity and thus the outputs from them are included in net farm income. A flow chart in paragraph 4 of section I aids with the allocation of non-agricultural enterprises to either:

(a) Section I
(b) Section K

3. A specific activity such as, say, milk retailing may be classed as fully integrated on one farm (and thus recorded in Section I) while, on another, it may be classed as independent having out-grown its links with the farm and become a fully-independent activity (and recorded in Section K). Which group it belongs to is sometimes associated with scale and the stage within the activity's 'life cycle'. While, ultimately, it must be left to the Research Officers judgement to decide which Section a given activity on a farm should be recorded under, it is hoped that the definitions provide sufficient guidance for a positive and unambiguous decision in most cases.

4. In summary, the principle in Section I is to record at least an estimate of the identifiable outputs and costs for those "non-agricultural" business enterprises which may be regarded as ' fully integrated'. Where costs are known not to be incurred by an activity then they need not be attributed – the activity should not bear a share of costs where this would be inappropriate. Where actual costs are known these should be used in preference to any broad estimates.

Integrated System: Section I

The electronic version of the FAS24 has five worksheets for recording section I activities. These are :

Section I (resale elements): This is for recording the output net of valuation and private share for those semi-integrated activites that involve an element of retailing or selling on. It also includes capital grant calculations for machinery, glasshouses and permanent crops. Values are automatically carried forward to the Section I (RO input) and Section I (Defra) worksheets.

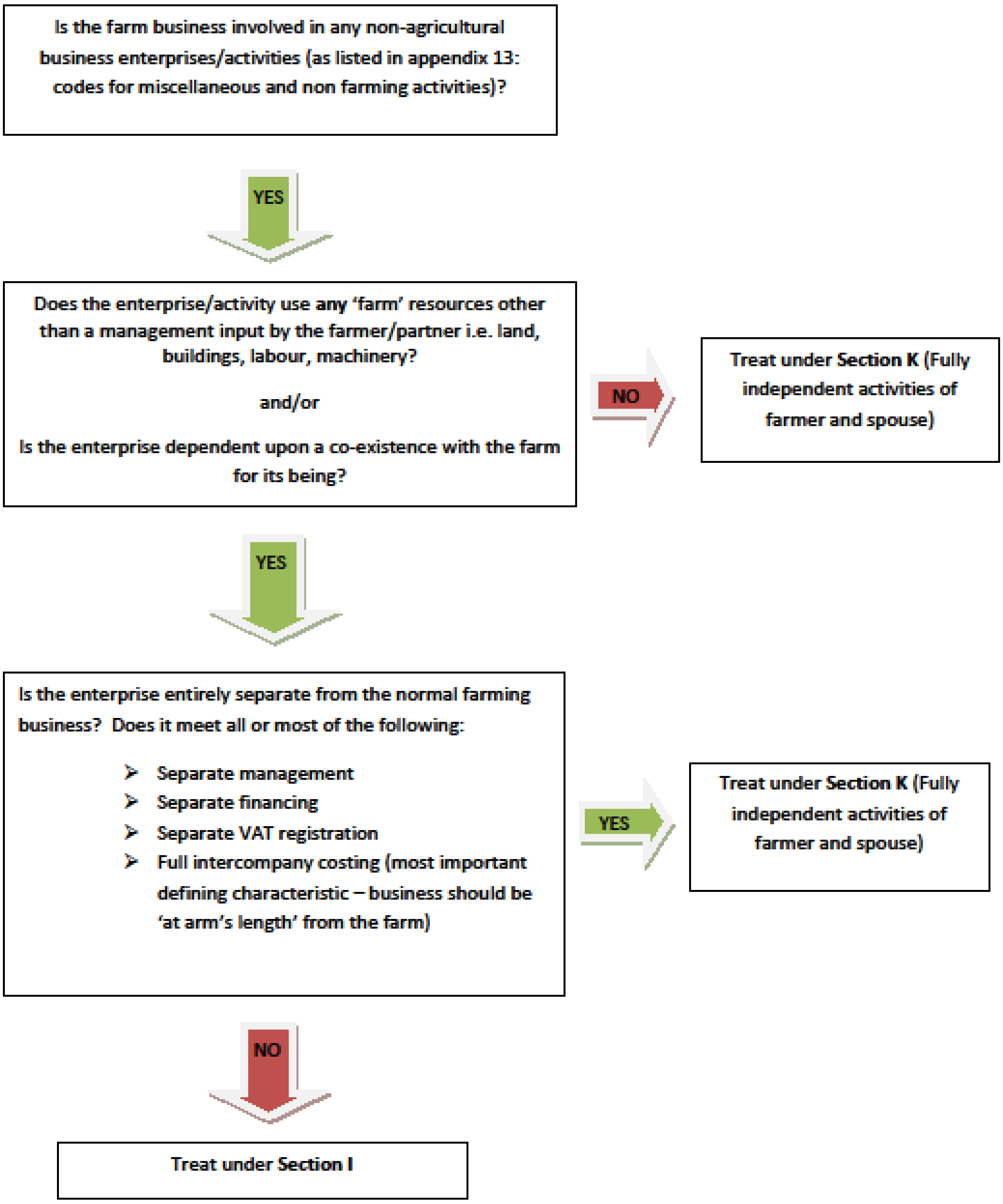
Section I (RO input): The output data from the previous worksheet is carried forward to the appropriate lines on this worksheet. All costs that can be apportioned by the RO are entered here. Rows 811 to 823 (Single Payment Scheme) are populated from the "SPS" worksheet

Section I (Calculations): This worksheet calculates the overhead shares of costs based on the various cost apportionment methodologies outlined at paragraghs 9, 11, 12, 13 and 14. Those shares of costs already identified by RO's as directly applicable to Section I activities are excluded from the overhead calculations

Section I (Defra) shows the sum of the RO identified costs (Section I (RO input)) and the calculated overhead costs Section I (Calculations)) and are the data that will be submitted to Defra

Section I (Summary) shows a summary of the section I data into the main cost headings of variable, labour, machinery, general costs, land and property, occupiers expenses and farmer and spouse labour.

Flow chart to aid allocation of non agricultural business activity on farms between 'Integrated' (Section I) and 'Fully independent' (Section K)



5. Appendix 13 gives a full list of the codes for recording individual activities with further details relating to the calculation of individual items. The use of code 900 (miscellaneous receipts) should be kept to a minimum and only where there is no other more suitable code. In addition an explanation should be provided of what is included. Incidental sales of honey totalling less than £2000 per annum should be recorded under code 900.

Definitions of the Columns

6. Output (column 1)

In order to prevent double-counting, any output recorded in Section I should not be recorded in any other Section of the FAS 24. However, in most cases, the farm records alone will not be sufficient to distinguish how much of the final output is attributable to the core farm business and how much to the integrated activity, especially those of a value-added activity. The apportionment of output in these cases can usually be obtained only by estimation. In the case of small scale integrated cheese-making, for example, it will be necessary for Research Officers to estimate what would be an appropriate wholesale price for the milk transferred from the core farming business to the cheese-making enterprise. On this basis, the output attributable to the milk production alone can be entered in Section E and the output due to the conversion of this milk into cheese can be entered into Section I; the output recorded in Section I would be the value of cheese sold less the wholesale value of the milk transferred from the core farming business (also see Section E, para.7). Output is defined as the revenue plus the closing valuation minus the opening valuation.

(a) Where products are purchased for resale (e.g. in order to extend the range of products in a farm shop) the purchase costs should be netted off sales and only the 'profit on resale' recorded, after due allowance for changes between the opening and closing valuations of such products.

(b) The total output from integrated non-agricultural activities should be recorded with an activity code of 999. This total is to be entered in line 77 of Section H.

7. **Costs** (columns 7, 11 to 62)

It is unlikely that a full detailed breakdown of costs would be available for all miscellaneous and integrated non-agricultural activities on all farms. Nevertheless for each activity as much detail on costs as is feasible should be recorded. All costs attributable to Section I activities must also be included in Section F (columns 1 to 7) the element of those costs subsequently apportioned to Section I activities should also be entered in column 9, of Section F. These costs are entered on the Section I (RO input) sheet.

8. Labour (columns 11 to 14 and 56, Directors Remuneration)

For Section I activities, ROs should allocate direct labour costs and add an element of overhead labour costs for each activity (including SPS and AE) in Section I. Labour hours for Section I activities should be allocated in Section B, which then feeds into Section I and Section P. This labour allocation should include an overhead allocation for labour hours, as Section P splits labour between direct labour and overheads. With respect to guidance to ROs in determining an "overhead" amount, ROs should seek to determine in discussion with the farmer what proportion of their time they spend on overheads, either specific to an enterprise or more generally across their farm business. Where a proportion of labour is allocated as overheads for the Farm Business overall (e.g. 10%) this would then be split pro-rata (on the basis of labour hours) across all enterprises, including Section I activities. The link between Section B, Section P and Section I is thus important in this context. Where direct labour hours are incurred, ROs should allocate an overhead amount of labour to the activity as noted above; for pragmatic purposes, where no direct labour is incurred (e.g. wayleave payments or other non-labour requiring revenue streams) there would be no requirement to specify an overhead labour element.

9. Machinery Costs (columns 15 to 18 and 59)

ROs should allocate direct machinery cost to activities within Section I, ***where known***. In addition, an "**overhead Machinery Cost**" will be allocated (for each of the following costs - Contract, Machinery Rental, Machinery equipment valuation etc, repairs and small tools, vehicle fuels and oils, car mileage expenses) on the basis outlined below, taking into account the output of the activity, with Agri-environment, Single Payment Scheme, and Rental Income allocation 'dampened down' to reflect their lower requirement of these activities for overhead machinery costs. Overhead machinery costs to all other activities will be allocated on the basis of their full output. The proportion of total machinery costs defined as "overhead" will draw upon previous research. The following activities will be excluded from the apportionment of overhead machinery costs and the value of their output will be excluded from the apportionment methodology within Section I: [Imputed farmhouse and imputed farm cottage rental income {320, 321, 340}, capital credits {940}, appropriate share of machinery grants {276}, appropriate share of glasshouse grants {277}, permanent crop establishment grants {274}, disaster aid {272}, FMD Distress donations {990}, Co-op trading bonuses {930}, Miscellaneous insurance receipts {950}]. The apportionment of machinery general farming costs to other Section I activities can be found at appendix 26..

The cost allocated within Section I is then the direct machinery cost allocation plus the overhead machinery cost from the above formulaic approach. Note that this approach will allocate an overhead machinery cost for each type of cost where there is a positive output for the activity in Section I, for the listed machinery cost categories (assuming that the individual machinery cost for the business is greater than the cost already allocated to Section I, as will occur in most cases; where the machinery cost for the business is all allocated by the RO directly to activities in Section I, there will not be an "overhead" element to allocate via the mechanistic approach). Note that the machinery cost allocated to Agriculture will be the total machinery cost for the farm business minus the sum of machinery costs directly allocated in Section I and the overhead machinery costs apportioned to Section I.

10. Variable costs (columns 23 to 30, 52 to 55)

These are allocated directly by the RO.

11. General Farming Costs (columns 31 to 38)

For Section I activities **general farming costs** are allocated directly by an RO ***where these are known***. In addition, an "**overhead General Farming Cost**" is allocated (for each cost, e.g. electricity, professional fees) on the basis outlined below, taking into account the output of the activity, with Agri-environment, Single Payment Scheme, and Rental Income allocation 'dampened down' to reflect their lower requirement of these activities for general farming costs. General farming costs to other activities will be allocated on the basis of their full output. The following activities will be excluded from the apportionment of **overhead** general farming costs and the value of their output will be excluded from the apportionment methodology within Section I: [Imputed farmhouse and imputed farm cottage rental income {320, 321, 340}, capital credits {940}, appropriate share of machinery grants {276}, appropriate share of glasshouse grants {277}, permanent crop establishment grants {274}, disaster aid {272}, FMD Distress donations {990}, Co-op trading bonuses {930}, Miscellaneous insurance receipts {950}]. The apportionment of overhead general farming costs to other Section I activities can be found at appendix 26.

The cost allocated and apportioned within Section I is then the direct cost allocation ***plus*** the overhead general farming cost from the above formulaic approach. Note that this approach will allocate an overhead general farming cost for each type of cost where there is a positive output for the activity in Section I, for each general farming cost category (assuming that the individual general farming cost for the business is greater than the cost already allocated to Section I, as will occur in most cases; where the general farming cost for the business is all allocated by the RO directly to activities in Section I, there will not be an "overhead" element to allocate via the mechanistic approach).

12. Land and Property Costs (columns 39 to 46, 61 and 62)

For agri-environment and SPS (and Agriculture) activities, **land and property costs** (including rent/rental value) be allocated on the basis outlined below; this aspect being based upon cost allocation that takes into account the Gross Margin (GM) derived to the farm business from each of Agriculture, AE and SPS, and allocates land and property costs on this basis. The GM basis is proposed for Agriculture, AE and SPS, because it is at GM level that a farmer makes a decision about which, and whether, to grow crops or produce livestock products, or not undertake any Agriculture activity. As the level of Agriculture activity falls on a farm, the allocation of land and property costs would increasingly fall on the SPS cost centre if the farm business only undertook Agriculture and SPS activities. The logical conclusion being that if a farmer ceased Agriculture production, all land

and property costs would be apportioned to the SPS cost centre; if a farmer used only a small area of a farm for Agriculture and the majority under SPS without production, the majority of land and property costs would be apportioned to SPS. In typical examples, where all land is used for Agriculture, SPS (and AE), the majority of land and property costs would be apportioned to Agriculture unless the GM derived from Agriculture was particularly low. Land and property costs that are directly allocated to / for specific AE schemes (e.g. repair and maintenance of stiles) will be deducted from the total land and property costs to be apportioned across Agriculture, SPS and AE to ensure no double counting of costs occurs. Rent/rental value to diversified activities with income bearing assets will draw upon ROs applying the rental allocation to income bearing assets approach currently in use within the FBS. For those diversified activities with no income bearing assets, no overhead rent is applied. The remaining property costs will be allocated to all diversified enterprises on the basis of gross margins.

The proposed apportionment of rent / land and property costs for Agriculture, AE and SPS is set out in more detail at appendix 26

13. Occupiers Expenses (columns 47 to 49)
Occupiers expenses (buildings works & net depreciation, insurance of farm buildings, landlord type repairs) will be applied and apportioned using the same methodology as land and property costs (tenants repairs & rates) noted above in paragraph 12.

14. Interest Charged and Received (columns 57 and 58)
Whilst excluded from NFI, interest is included within the calculation of FBI. The current apportionment of interest in the FBS as detailed in Table 9 of the GOR reports is “Interest payments have been allocated between cost centres in proportion to costs, and interest received in proportion to output

15. Margin (column 7)
The spreadsheet calculates column 7 automatically by subtracting the costs in columns 2 to 6 from the output (column 1).

16. Hours Worked Annually
When a miscellaneous or fully integrated agricultural activity is recorded, an estimate should be made of the number of manual hours worked annually by the farmer and spouse on this activity. These hours should be included in the hours worked annually in the section B (labour) as they relate to the core farm activity.

Integrated System: Section I (RO input)
The Section I item columns 11 to 58 are the various rows from Section F, and represent the non agricultural activity costs which will appear in Section F item column 9. Thus variable costs are the sum of shares of costs in row items 17 to 30.
The top rows of the spreadsheet identify the total costs, total farm type costs (from Section F) and the share that a Section I cost represents of the total cost to highlight potential over allocation. The value of labour (paid and unpaid) attributable to section I activities is calculated within section B and transferred to Section I via column 9 of rows 1 and 2 in section F1. Any discrepancy between this value and the allocation amongst section I activities results in an “error” message in row 9.
Non-agricultural machinery depreciation is generated from coding used within the MCDEPN worksheet and glasshouse and permanent crop depreciation from GLASDEPN and ORCHDEPN respectively.

Definition of Rows

17. Processing and Retailing of Farm Produce (lines 110 to 142)
Only the net output from activities involving the resale of purchased agricultural produce should be recorded. The cost of purchases should not be included.

18. **Management Agreements, Agri-environment payments and other Subsidies (lines 211 to** 221)

(a) All direct costs associated with these schemes should be recorded e.g. hedge planting and grass seed. Where fixed costs are increased by a scheme these should be recorded on a pro-rata basis e.g. grass cutting. In some instances there may be a case for including only the marginal increase in fixed costs e.g. hedge cutting and in such cases a degree of RO estimation may be necessary.

(b) Sheep and wildlife enhancement scheme. This scheme was introduced to improve the sustainability and viability of sheep farming in areas of high wildlife interest. It has now closed as a result of implementation of CAP reforms but where farmers are in receipt of payments associated with this scheme they should be recorded under line 271 – Sites of Special Scientific Interest (SSSI).

19. **Other Grants and subsidies** (lines 271 to 277)
Compensation payments to farmers such as those following extreme weather events should be recorded gross under code 272. Any extra costs incurred by the farmer to qualify for compensation should also be recorded gross in Section FI. There should be no recording of these costs in Section I to set against the entry at I272.

Permanent Crop Establishment Grants and Sundry Grants (lines 274 and 275)
These lines should be used to record any grants from Producer Organisations to cover the cost of establishing permanent crops or for capital improvements such as cold store improvement or the erection of polytunnels. A more detailed explanation can be found at section F, paragraph 19.

20. **Rent and Wayleaves** (lines 310 to 390)
Depreciation on any building improvements and business rates should be included as costs against rental income.
Line 321 – Imputed rent for tenant farmers living in the farmhouse.
For tenanted farms where the tenant lives in the farmhouse, an imputed private share of farmhouse rent should be included in Section I; using the following amounts depending on the business circumstances: £0; £3,000; £6,000 & £9,000
The reason for only including the private share of the farmhouse rent for tenanted farms where the farmhouse is occupied by the farmer is that gross rent paid by the tenant includes farmhouse rent for both the business and private share, whereas net field rent calculated for owner occupiers using the new methodology does not include the private share of farmhouse rent

Integrated System: Imputed Rent of farmhouses

	A	B	C	D	E	F	G	H	I	J	L
52	LYdata	**Imputed rent for tenants living in tenanted farmhouse (revised methodology)**									
53	Centre	ha	£						£	ha	
54		0.00								0.00	
55			0		Gross rent - Section F2 col 7				0		
56			0		less tenanted farmhouse rent						
57					Use either £0, £1000, £3000, £6000 or £9000					<<<<<	
58			0		Other Section I related rents					<<<<<	From Cell I38 but may need altering?
59			0		Gross rent - Section F2 col 9				0		
60			0		Gross rent - Section F2 col 8				0		
61											
62											
63											

a. Use either:
   a. £0
   b. £1,000 for rents up to £10k per annum
   c. £3,000 for rents over £10k and up to £20k per annum
   d. £6,000 for rent over £20k and up to £40k per annum
   e. £9,000 for rents over £40k per annum, where condition scale of farmhouse justifies using highest option for private share of farmhouse rent on tenanted farms

Depending on the amount of rent actually paid which in practice ought to leave a realistic rent for the rest of the farm [land, quotas, SPS, buildings & business share of farmhouse rent].

Option a) is only for exceptional cases where a farmer is bound by circumstances to live on the farm under extreme circumstances such as, for example, a National Trust Farm half way up a mountain, where it is deemed not to be a prerequisite, though unlikely to see any significant use made of this for farms in the FBS in England.

b. Enter this figure in cell I57, which is linked to Section I

Income Bearing Assets on Tenanted Farms

	A	B	C	D	E	F	G	H	I	J	L
52	LYdata	**Imputed rent for tenants living in tenanted farmhouse (revised methodology)**									
53	Centre	ha	£						£	ha	
54		0.00								0.00	
55			0		Gross rent - Section F2 col 7				0		
56			0		less tenanted farmhouse rent						
57					Use either £0, £1000, £3000, £6000 or £9000					<<<<<	
58			0		Other Section I related rents					<<<<<	From Cell I38 but may need alte
59			0		Gross rent - Section F2 col 9				0		
60			0		Gross rent - Section F2 col 8				0		
61											
62											
63											

a. Enter the income figure that was put in **cell I38 into cell I58.** This allocates a share of the gross rent towards the income bearing asset in Section I

b. These rents and rental values in Section I should be allocated as before.

(a) Wayleaves, mobile telephone masts and wind turbines (line 380 and 381):
When wayleave payments are made each year to farmers by electricity companies, mobile phone companies etc. for structures erected on their land, this should be treated as rent and placed in Section I in line 380 – wayleaves or 381 - mobile phone company masts and wind turbines. If the farmer receives one lump sum payment for the rights to use the land for the next 20 years or more this should be recorded in Section G as a windfall gain - see Section G instructions paragraph 29(g).

21. Equine Activities (line 410)

Apart from keeping horses for breeding, equine activities such as livery and riding schools are not regarded as agricultural according to the Standard Industrial Classification, and as such are recorded as semi-integrated activities in Section I. Their presence needs to be recorded for SGM and SLR purposes and an average number is required in Section E Row 86, Column 18. If horses have access to grazing or are provided with fodder grown on the farm, then the effective average number of horses in this category **must** be recorded in Section E and on the Livestock and forage calculations page in the IS FAS24 (Refer to Appendix 25 for recording of equine activities within IS FAS 24. Examples of which include:

- Money received for teaching/schooling clients and their horses on informal basis
- Money received from formal Riding School and Competition Yards Activities
- Money received from toll rides
- Money received from hosting horse & pony shows

22. Livery (line 411)

For the purposes of the FBS, the only type of equine activity to be recorded under livery, and also carrying average numbers in Section E, is that where horses owned by a third party are provided with grazing and or stabling as a service provided by the farmer. This will include full, part and DIY livery activity. It does not include riding schools and competition yards, which should be recorded under Equine Activities [code 410]. It also does not include livery businesses run by a third party that simply rent the land and buildings from the farmer for the purposes of running a livery.

- Examples of which include: Money received for provision of stabling
- Money received for grazing
- Money received for forage sales to clients
- Money received for consumable goods re-sold to clients e.g. bedding, feed
- Money received for services re-charged to clients e.g. vet, farriery costs

See Livestock and Forage Working Sheet (Section M) of the IS FAS24 to allocate forage costs for Livery within Section I (Note: it is necessary for this worksheet to be completed simultaneously with allocating other costs to Section I activities)

Within the livestock and forage sheet calculations, the forage costs are apportioned across a range of livestock classes. These classes of stock are then coded subject to the enterprise type, and these details are carried forward into Section M. Equine activities forage costs however appear in both Section M and Section I, with Section I showing a more detailed breakdown of the equine output into equine activities and livery. Within Section I, the forage costs default to row 411 (livery), however the RO can apportion forage costs to item row 410 by making entries in row 410 and this figure is then deducted from 411 to ensure that the total forage costs associated with the horse enterprises remains the same.

See appendix 25 for a summary of completing Livery activities)

23. Single Payment Scheme (line 810).
The total annual receipts under the Single Payment Scheme should be entered in column one. Any obvious costs such as professional fees, associated with the scheme should be entered in the appropriate column although the recording of cross compliance costs is not generally required unless they are readily distinguishable.

Financial data relating to the leasing in or out of entitlements should also be recorded in section I under codes 811 to 822. Revenue should be entered in column 1 whilst the cost of leasing in entitlements should be entered in column 2.

24. Other miscellaneous receipts (lines 900 to 961)
Activity codes for recording miscellaneous and integrated non-agricultural activities are listed in Appendix 13 and are divided into categories.

Higher level headings are available for some categories and are to be used only when and if the farmer is unwilling to have the exact nature of the activity recorded or when the recording of the exact nature of the activity would be disclosive. In these circumstances the most detailed code possible should be used. . Output entered under the higher level headings should be exclusive of any activity that has already been included in any of its sub-categories.

For example:

If the farmer generated an output of £10,000 from alcoholic products from farm produce (code 114), and £5,000 from another, non-specified enterprise which is under the umbrella of processing and retailing of farm produce (code 100), then the entries would be as follows:

Row (Activity Code)	Output
100	£5,000
114	£10,000

There should be no case where the same row number is entered twice.

(a) **Agricultural and non-agricultural hirework (lines 912 and 913)**

Contracting costs should be allocated on a pro-rata basis, e.g. for a farm where say 450 ha. are combined at home and 50 ha. are combined on a contract basis for other farmers, 10% of the cost of running the combine (including depreciation) should be allocated to Section I.

Work performed off the holding using farm resources (labour, machinery, etc) should be entered as hirework using either code 912 or 913. Agricultural hirework can be defined as agricultural work carried out on another holding (including horticultural holdings). All other hirework such as road maintenance, mowing playing fields and any forestry work should be entered under code 913.

(b) **Capital Credits (line 940)**

Where current costs, e.g. labour and materials, have been used to produce fixed assets or to make a major repair (such that it could be regarded as capital expenditure) and those costs have not been excluded from expenditure, an equivalent value (i.e. the sum of the relevant costs) must be entered in Section I Capital Credits (line 940). Whether or not such costs have been deducted from expenditure their total will also be included as an investment in buildings or improvements in Section G. This does not apply to small-scale land improvement schemes (surface treatment) which are treated as current costs and are excluded from the capital section.

25. FMD distress donations (line 990)

Distress donations were made to farmers following outbreaks of Foot and Mouth Disease (FMD) in 2001 and later years. Research officers should use their judgement as to whether a donation is clearly FMD related, in which case it should be entered in Section I (code 990). If not it should be included in Section K.

MODULE K - FULLY INDEPENDENT ACTIVITIES OF FARMER AND SPOUSE

General

1. This section is used to record the income of the farmer and spouse from sources that are fully-independent of the farm business. These sources are identified within Section K as follows:

(a) Employment
(b) Self employment
(c) Investments
(d) Pensions
(e) Social payments
(f) Other income not elsewhere specified

this section records the income of the farmer and spouse from activities that are **fully independent** of the farming business (this will include income from business activities and work carried out off the farm as an employee or on a self employed basis, income from investments, pensions, social benefits and other sources).

Unlike Section I, profits from business activities and other income recorded in Section K do not contribute to Net Farm Income (NFI).

The flow chart shown in section I will assist ROs in determining whether output from non-agricultural activities should be recorded in Section K, and hence excluded from NFI, or in Section I, and hence included in NFI.

See paras. 10 to 15 below for further details of these sources.

2. Any data recorded in Section K should not be entered anywhere else in the core FAS24, however the income data recorded in Section K will form part of, or all of the household income (if there are no other income earning members of the farm household), recorded in Module N (Household Income).

3. Income recorded in Section K will include income from other business activities that have a fully independent existence, i.e. activities that do not use any farm resources or, if they do, they pay a commercial rate for them. These are often called “off-farm” activities even though, in some cases, part of the business may be physically located on the farm. If the farmer and spouse between them only have a minor share in the ‘other’ business, then it is probably independent. The hours spent by the farmer/spouse and the income accruing to them from an independent business is recorded here.

4. In deciding whether an activity should be recorded under Section I (of the core FAS24) or Section K, R.O.s should refer to the flowchart at the beginning of Section I and apply the above guidance in the way that seem most appropriate in the circumstances of the individual holding, taking into account all aspects of the case in making the decision.

5. As specific activity such as, say, milk retailing may be classed as fully integrated on one farm (and thus recorded in Section I) while, on another, it may be classed as independent (and recorded in Section K. Which group it belongs to is sometimes associated with scale and the stage within the activity’s ‘life cycle’. While, ultimately, it must be left to the Research Officer’s judgement to decide which Section a given activity on a farm should be recorded under, it is hoped that the definitions provide sufficient guidance for a positive and unambiguous decision in most cases.

Note that recording under Sections K requires that assets and liabilities are *excluded* from Section G, whereas income recorded under Section I requires that assets and liabilities are *included* in Section G.

Integrated System: Section K
Manual data entry, codes listed on sheet, no links with other areas of the FAS24

6. **Missing Data Codes**
Where some or all information is refused or is otherwise unavailable, this section must still be completed using the following missing data codes:

Code	Description
0	No data missing
6	Non-farm activity exists, but data refused by co-operator
7	Co-operator refused to provide information on income and/or hours worked off the holding
8	Data otherwise unavailable for both farmer and spouse
9	Data unavailable for either farmer or spouse

7. **Farmer** (col. 1), **Spouse** (col. 2) **and Farmer and Spouse** (col. 3)
For line 3 enter the hours spent by the farmer in col. 1, the hours spent by the spouse in col. 2 and the sum of cols. 1 and 2 in col. 3. For lines 4 to 10, an entry need only be made for the farmer and spouse jointly at col. 3. Information should not be recorded for the spouse where the farmer and spouse are separated and are not residing in the same dwelling.

8. **Hours Worked Annually** (line 3)
The hours worked annually on activities that are fully independent of the core farm business should be recorded here.
Income from a Fully Independent Activity or Source (lines 4 to 10)

9. Six categories of income from fully independent activities or sources are specified: employment, self-employment, investment, pensions, social payments and any other source not specified elsewhere. In each case where income data are available, only the broad range needs to be indicated from the list below.

Income Range Codes

Code	Description
1	No income
2	£1 to below £1,000 per annum
3	£1,000 to below £2,500 per annum
4	£2,500 to below £5,000 per annum
5	£5,000 to below £7,500 per annum
6	£7,500 to below £10,000 per annum
7	£10,000 to below £15,000 per annum
8	£15,000 to below £20,000 per annum
9	£20,000 to below £25,000 per annum
10	£25,000 to below £30,000 per annum
11	£30,000 to below £40,000 per annum
12	£40,000 to below £50,000 per annum
13	£50,000 to below £75,000 per annum
14	£75,000 to below £100,000 per annum
15	£100,000 or more

In circumstances where a fully independent business activity produces a loss (rather than a profit) an equivalent negative code should be used for negative income ranges: care should be taken however, in situations where the loss arose after a wage, salary or directors remuneration had been taken by the farmer and spouse.

Negative income ranges can be recorded for self-employment, investments and other income not elsewhere specified. If there is no income from either employment or self-employment a missing data code of zero should be entered with an income code of 1 (which is equivalent to zero).

In addition to an indication of the appropriate income range for each of the six income groups, the range band relating to the total off-farm income of the farmer and spouse should be entered at line 10. This may be either a positive or negative code.

10.**Income from Employment**
Where the farmer or spouse works on a part-time or full-time basis in **paid employment** outside the farm business, the gross annual income (before tax and national insurance but after other pension contributions) should be represented by the appropriate income code at line 4. Income arising from **paid employment** on any activity that is independent of the farm business should be recorded at this line as should any monies (excluding expenses) received as a member of the Territorial Army, Special Constabulary or similar organisation.

11.**Income from Self-Employment**
If the farmer and/or spouse own or operate a business or work in a profession that is fully independent of the farm business, then the gross annual income (before tax and national insurance, but after payments of Uniform Business Rate and pension contributions) arising from this should be recorded under the appropriate income range code at line 5. Director's fees should be treated as self-employment.

Income recorded in Sections I should not be included here.

Where losses are incurred the appropriate income range code should be entered preceded by a negative sign. Self employment income will otherwise be assumed to be positive.

12.**Investment Income**
All interest receipts on personal bank, building society and similar accounts and dividends on shares not already included in D line 16 should be included at line 6 as should any rental income deriving from property off the farm. Dividends received on shares in organisations such as Dairy Crest etc should be recorded here.

Capital gains obtained through holding shares, works of art or other property should be excluded.

Investment income received net of tax should, wherever possible, be converted to a gross basis before selecting the income range code. It is recognised however that the income code will be the same both before and after tax in a large number of cases, given the width of the income bands.

13.**Pensions**
The income range code relating to the gross value of all pensions received by the farmer and spouse is to be entered at line 7. Income arising from both occupational and state pension schemes and from retirement and disability pensions should be included.

14.**Social Payments**
Any receipts such as child benefit, family tax credit or other cash welfare payments (e.g. winter fuel payments) should be entered using the appropriate income range code at line 8. Welfare payments made in kind (eg free school meals) rather than cash need not be valued for the purpose of completing this line.

There may be occasions where there has been a repayment of social payments such as family tax credits which are calculated on the basis of the previous years income. In these instances the social payment should be recorded as a negative figure.

15.**Other Income Not Elsewhere Specified (n.e.s.)**
Any other receipts of a regular nature accruing to the farmer and/or spouse which do not fall into the categories specified at lines 4 to 8 should be entered at line 9. Various commissions and retainers may come into this category.

Windfall receipts (or losses) resulting from inheritance, speculation or gambling should be excluded.

Any charitable donations to the farmer or spouse not directly related to the farm business should be included here.

16.**Total Income from Diversified Independent Activities**
Incomes recorded at lines 4 to 9 col. 3 should be summed and the appropriate income code relating to the total entered at line 10 col. 3. Where information only relates to the farmer or spouse an entry should be made in the relevant columns with the appropriate missing data code. If information is not available (or is refused) for one or more of the items at lines 4 to 9, line 10 should be left blank with a missing data code 7, 8 or 9 as appropriate

MODULE M – ENTERPRISE, GROSS AND NET MARGINS

Background

1. The data recorded in this module will provide extremely valuable data concerning the output, gross margin and net margin of individual farm enterprises. These data will among other uses help to:-

(a) Provide standard gross output data for farm classification purposes
(b) Enhance the FBS as a provider of data that can be used for benchmarking
(c) Shed new light on economic performance of different enterprises following CAP reform and how this differs between farms.
(d) Indicate how the economics of enterprises are changing over time.

General

1. Within this module, output, variable cost, gross margin, fixed cost and net margin data should be recorded at enterprise level for the enterprises listed in Appendix 19. Section M1 is for the collection of gross margin data and Section M2 for the collection of net margin data. For Section I enterprises the data can be aggregated into one column.

Most of the primary data required for the completion of Section M1 is entered into the Integrated System (IS) manually by the RO. Note however, that most of that data is not entered directly into Sections M1 and M2; instead, data is read into Section M1 from Working Sheets and Tables located elsewhere in the IS (see para. 4 below and specific IS instructions that follow). Section M2 is then completed using models that allocate fixed costs between individual enterprises.

2. All data recorded in Module M should be consistent with Sections C1, C2, C3, E1, E2, F1, F2 and I of the FAS 24.

3. There are four Working Sheets and Tables within the FAS24 spreadsheet that must be completed by the RO before attempting to finalize Module M, data is read into Section M1 from these. These comprise:

(a) An allocation of crop variable costs between cash crops and forage. This working table is adjacent to Section C2 in the IS and must be completed for all farms where Module M is to be completed, even if there are no cash crops (i.e. forage only).
(b) An allocation of straw output between relevant individual crops (this should only be completed for farms with cereals and other crops where straw could be considered as a secondary output). A working sheet is provided for this between Sections C2 and C3 of the IS.
(c) A division of "Other Cattle" output from Section E1 between breeding and trading enterprises. This working sheet, called "Section E1 Output Split" is located between Sections E1 and E2 of the IS. Further instructions are provided here (pages 100 to 103)
(d) An allocation of livestock variable costs between livestock enterprises. A working sheet for this called "Livestock and Forage" is located immediately before Module M in the IS.

All the data allocated to individual enterprises in the above working sheets and tables must be entered directly by the RO from an analysis of variable costs and calling on information provided by the individual FBS co-operator.

The following instructions provide more working detail on each of the above four working sheets and tables.

Section C2 Working Table

The working table located to the right of Section C2 requires the RO to:

(a) Identify the organic status of each crop using the following codes in column 400:

Code	Description
0	Conventional (i.e. not organic)
1	In conversion
2	Organic

(b) Identify irrigated crops in column 401 using the following markers

Code	Description
1	Not irrigated
2	Partially Irrigated
3	All irrigated

(c) Allocate, in the appropriate columns, the following costs between each of the current crops listed in C2 and forage:

Col	Description
200	Purchased seed
201	Homegrown seed
210	Fertilizer
220	Spray
230	Other crop costs
270	Enterprise specific heating fuel
271	Electricity for crop drying
272	Other fuel for crop drying
240	Contract costs
241	Contract hours
250	Machinery rental
310	Bare land hired in
362	Water for irrigation, crop washing etc

and for horticultural crops:

Col	Description
321	Glasshouse depreciation
322	Permanent crop depreciation
281	Marketing charges
282	Packing materials
283	Horticultural sundries

Note that:

Crop drying costs: A working table is provided to calculate the cost of drying crops: the RO will need to input tonnes dried, % moisture removal and type of fuel. Residual (unallocated) electricity and fuel costs are apportioned in Section M2.

Cost allocations: For seed, fertilizer, sprays, other crop costs, bare land hired in, glasshouse and permanent crop depreciation, the total allocation between crops and forage should equal totals in Section F1 col. 8 (costs for agriculture).
Allocations of marketing charges, packing materials and horticultural sundries, recorded for horticultural crops, are a sub-division of “other crop costs”; these are brought forward from the split entered in Section F2.

Grassland and Forage Costs: Costs associated with grassland and forage (used by the farm’s own livestock) are entered on a separate row (“Forage costs to be allocated by LU” – livestock units); these costs are carried forward to the “Livestock and Forage” sheet for allocation between grazing livestock enterprises (see further instructions for this sheet below).
Costs associated with forage crops grown for sale and crop failures are entered on another row (“Forage cash crop costs excluded from forage allocation and crop failures”); these costs are not allocated to livestock or crop enterprises.

Contract and machinery hire: Residual (unallocated) contract and machinery rental costs are apportioned in Section M2.
Contract hours recorded here are carried forward to Module P.

Straw Output Working Sheet

The straw output Working Sheet is located between Sections C1 and C2. This sheet has three purposes:

(a) It enables the straw output to be built up from the components of sales, home use and closing valuation. These figures are carried forward to complete line 321 in Section C3.

(b) It enables the RO to record straw sales (from the account analysis), home use (feeding or bedding) and year end valuations (from discussion with the farmer) in respect of previous and current crops and to allocate these between individual crops. These figures are then carried forward to Section C2 col. 102, and are used to establish total crop output for gross margin purposes. Straw used on the farm for feeding and bedding are to be recorded separately within the working table as these are carried forward separately as costs to Section F1 (row 21, coarse fodder; and row 23, other livestock costs).

(c) It enables the recording of disposals of the previous crop (i.e. the opening valuation of straw). As with current crop straw, any home use will be carried forward to Section F1 and recorded in rows 21 and 23.

Section E1 “Other Cattle” Output Split Working Sheet

This working sheet is located between Sections E1 and E2. The purpose of this sheet is to split the non-dairy cattle output generated in the “Other Cattle” part of Section E1 between output attributable to:

(a) **The breeding enterprise**, i.e. the suckler herd (where calves are transferred out of the suckler herd at weaning into the trading enterprise; and replacement heifers calving for the first time are transferred from the trading enterprise to the suckler herd).

(b) **The trading enterprise** (where weaned calves are transferred into the trading enterprise from the breeding enterprise; and replacement heifers are transferred out of the trading enterprise into the breeding enterprise at calving). Note that the trading enterprise will include all progeny from the suckler herd, as well as other youngstock, these will include cattle being reared:

(i) for sale as forward stores (i.e. cattle beyond weaning age)
(ii) for sale as finished cattle
(iii) as replacements for the suckler herd
(iv) as dairy herd replacements (on farms where there is a dairy herd)

The splitting of non-dairy herd cattle output in this way achieves three valuable objectives; it enables an accurate measure of output from the beef suckler herd, similarly output from the rearing herd, and thirdly it enables a more precise identification of the type of cattle enterprises on the farm.

This allows the production of more meaningful separate gross and net margins for the individual breeding and trading enterprise than is possible using Section E1 as it stands. This improves the quality of the feedback that can be given to the farmer as well as providing better quality data to end users. A further advantage is that by providing more information on cattle movements between the suckler herd and the rearing herd it potentially helps the RO keep a better check on total cattle numbers.

Entries in Section E1 “Output Split” are as follows:

The Working Sheet duplicates a number of rows from Section E1 where there could be breeding or trading elements. The grey cells are the entry cells with the yellow cells showing if the references are from Section E1, or calculated within the new sheet.

The key figures are:

(a) The transfer of heifers at calving into the breeding herd.
(b) The transfer out of calves at weaning into the trading herd.
(c) There are also cells to adjust the average numbers (this will be necessary for cattle under 1 year of age due to the split of these cattle between breeding and trading enterprises – see instructions for rows a & b, and g & h below.

Other Cattle – Breeding: comprises the following rows:

Row 10	Breeding bulls for the beef herd (same as equivalent row in E1)
Rows 74 & 12	Beef cows (same as equivalent rows in E1; **ensure in calf beef heifers are shown as transfers into the breeding enterprise at calving)**
Rows a & b	Cattle under 1 year (these lines differ from E1 rows 20 & 21 in that cattle to be entered here include only **unweaned** calves – this applies to opening and closing valuations, purchases and sales; **at weaning, calves from the suckler herd need to be shown as transfers out to the trading enterprise,** see below for guidance on establishing transfer values).
Row d	this is the breeding herd's share of disease compensation payments
Row f	Enter the appropriate enterprise code from Appendix 4 (this may, or may not be the same as the code from E1, row 23)

Other Cattle – Trading; comprises the following rows:

Rows 13 & 14	In calf heifers (same as equivalent rows in E1; **ensure beef heifers are shown as transfers out to the breeding enterprise at calving)**
Row 15	Fat cattle (same as equivalent row in E1)
Rows 16 & 17	Other cattle over 2 years (same as equivalent rows in E1)
Rows 18 & 19	Other cattle 1-2 years (same as equivalent rows in E1)
Rows g & h	Cattle under 1 year (these lines differ from E1 rows 20 & 21 in that cattle to be entered here include only **weaned** calves – this applies to opening and closing valuations, purchases and

	Sales; **at weaning, calves from the suckler herd need to be shown as transfers into the trading enterprise from the breeding enterprise,** see below for guidance on establishing transfer values)
Row j	This is the trading enterprise's share of disease compensation payments
Row l	Enter the appropriate enterprise code from Appendix 4 ((this may, or may not be the same as the code from E1, row 23)

Valuing weaned calves for transfer purposes

Valuation of weaned calves is not always straightforward. There may be occasions where the co-operator can give a robust estimate of value if, for example, similar animals were sold off the farm at the same time as the point of valuation. Where a large amount of estimation is required the following approach is suggested which involves, firstly, estimating live weight at weaning, and then the value at weaning.

(a) **Estimate weaning weight:** The table below gives average daily liveweight gains for a range of breeds. These can be multiplied by the age at weaning (in days) to give total liveweight gain to weaning. This is then added to the assumed birth weight (40kg for heifers, 45kg for steers) to give the liveweight at weaning.

Daily liveweight gains (DLWG) to 200 days allowing a birth weight of 40kg for heifers and 45kg for steers

		Dam breed (or cross)			
	Sire breed	A Angus (X)	Hereford (X)	Simmental (X)	Blue Grey (X)
Heifers	Charolais	0.915	0.935	0.980	0.925
	Limousin	0.820	0.845	0.885	0.830
	Simmental	0.910	0.930	0.975	0.920
Steers	Charolais	1.030	1.055	1.105	1.045
	Limousin	0.925	0.950	1.000	0.935
	Simmental	1.025	1.050	1.100	1.035

E.g. 1. A Charolais x [Hereford x Friesian] steer calf weaned at 9.5 months old would weigh approximately:

9.5 months x 30.5 days (average month) x 1.055kg (DLWG) + 45kg (birth weight) = 351kg.

E.g. 2. A Limousin x [Aberdeen Angus x Friesian] heifer weaned at 7.25 months would weigh (7.25 x 30.5 x 0.82) + 40 = 221kg.

If the dam and/or sire is a cross between two or more of the breeds in the table, use an appropriate average of the daily liveweight gains for the breeds involved. For example, if the calf is a heifer, the dam is a Hereford x Aberdeen Angus and the sire a Charolais, the appropriate daily liveweight gain is (0.915 + 0.935) divided by 2.

(b) **Estimate Value**

(i) Calves weaned in the autumn; if the animal is weaned in the autumn, at the time of the local weaned calf sales, a valuation can be based on the market prices of calves of a similar weight and breed. Defra provides prices for weaned calves recorded at LFA markets (Appendix 8). These prices should be used with caution, however, in case they relate to calves which are markedly heavier or lighter than those being valued. Some of the Defra price data includes average liveweight (in kg). Where animals sold as weaned calf sales are lighter or heavier than the calves being valued, the average market price should be converted to pence per kg liveweight and then applied to the liveweight of the calves being valued at weaning.

(ii) Calves weaned at other times of the year; an appropriate value, in pence per kg liveweight, needs to be determined and then applied to the liveweight at weaning. Weaned calf prices and average liveweights, from local sales or those provided by Defra, can be used to calculate average prices in pence per kg liveweight. These can then be adjusted, backwards or forwards in time, using price movements for yearling store cattle between the date of valuation (weaning) and the date of the sales. Average monthly prices for yearling store cattle will be provided by Defra, which ROs will be able to use if they wish.

Finally, a reminder that where calves are likely to be sold as replacement breeding animals or transferred into the breeding herd, at some time in the future, such calves should be valued to reflect their potential as future breeding cows or bulls, rather than as normal store animals to be reared for slaughter.

Livestock and Forage Working Sheet

The allocation of forage variable costs to individual enterprises is calculated using grazing livestock units. The allocation of remaining variable costs (listed below) will be carried out by the IO from the account analysis and drawing on supplementary information provided by the farmer.

Data entry is required in cells highlighted in grey; these include:

(a) Adjustments to "Forage allocation from C3" for additional areas of cash crops
(b) Adjustments to "Forage cost from Section C2"
(c) Adjustment to heating fuel
(d) GM / NM enterprise code from Appendix 19
(e) Allocation of coarse fodder costs (brought forward from Section F1) to livestock enterprises
(f) Allocation of concentrate feed costs (brought forward from Section F1):
- Concentrates (grazing livestock)
- Home grown concentrates (grazing livestock)
- Milk fed to calves
- Concentrates (pigs)
- Home grown concentrates (pigs)
- Concentrates (poultry & small livestock)
- Home grown concentrates (poultry & small livestock)

(g) Allocation of other livestock costs (brought forward from Section F1):
- Service fees
- Purchased bedding litter
- Breed society and show fees
- Commission on livestock sales
- Livestock haulage
- Dairy expenses
- Packing materials
- Milk levies
- Milk company deductions
- Dog expenses
- Other livestock costs
- Home grown bedding straw

(h) Allocation of contract costs and hours, and machinery rental
(i) . The sum of the average horse numbers from Section E2 are shown in the forage allocation calculations on the livestock and forage sheet. However because a number of horse grazing may be lower as these don't have access to pasture, or have a large amount of their forage supplied, the actual number of grazing horses may be lower, and this figure needs to be entered to ensure that the overall stocking rates, and forage allocations are correct.

Enter the effective number of horses with access to forage and grazing in cell N30 on the livestock and forage page. Complete the allocation of forage costs in the C2 working table. The share due to the horses is then automatically transferred to the livery line in Section I.
See Appendix 25 for a summary of completing livery activities

Module M Sheet

On completion of the Core FAS24, and the preceding Working Sheets and Tables, Sections M1 (gross margins) and M2 (net margins) will complete automatically with the following exceptions which require manual data entry:

(a) For crops that require grouping together for gross and net margin purposes, the individual crop codes will need to be entered in the grey cells at the top of the table (e.g. margin calculations for winter oilseed rape, M code 40, requires C2 crop codes 91, 96 and 98 to be grouped together). Many horticultural crops are grouped together in this way.
(b) Organic status

Note that crops grown on set aside land should be included with the same crop grown on non-set aside land.

Fixed costs are apportioned econometrically.

1. Row 1: The cropping area of the spreadsheet uses the SUMIF option to link to data in Section C2. Since the gross/net margin enterprise codes do not follow the FBS product codes exactly, with some multiple products for one net margin code, or a choice of net margin codes for the same product code, there are a number of rows within the spreadsheet where more than one FBS product code can be added together - i.e. columns C to J cover 1 FBS code, to be entered in row.

A lookup table then shows the GM/NM enterprise code description in row 24 and the enterprise code in spreadsheet row 25. Where the GM/NM code is split, the cell needs to be overwritten with the correct code. Spreadsheet columns I to K cover two FBS codes of the same GM/NM code, and works on the same principle of SUMIF. Spreadsheet columns L to M and N to P cover 3 and 6 crops which are likely to be horticultural. On some horticultural farms where there are many crops, it may be easier to overtype the cells instead of expanding the SUMIF calculations.

2. Spreadsheet row 17 is for allocation of any areas of bare land hired in, to enable the cost of this land to be allocated on an area basis, and also to give the farm area for rent and rental value allocation.

3. Spreadsheet row 28 covers set-aside payments on industrial crops, and so reduces the set-aside area and payments and attributes the area payment to the crop grown. This is manually entered, and the area involved entered in cell R17 to leave a non-cropped set-aside area.

Spreadsheet rows 44 to 52 hold the Section C2 data for the crops by using SUMIF against the FBS product codes.
4. Spreadsheet rows 55 to 58 are linked to the 'Livestock and forage' sheet and spreadsheet row 60 to Total Section I output. Spreadsheet row 62 is not required by DEFRA, but was added to show all enterprise output on the same row. Spreadsheet rows 65 to 76 allocate the variable costs to crops and livestock from Section C2 and 'Livestock and forage'. Spreadsheet rows 77 and 78 calculate total variable costs and gross margin.

MODULE N: AGRICULTURAL HOUSEHOLD INCOME

1. This section provides details of the main farming household (i.e. the household of the principal farmer) and other households of the farming family that are economically connected to the farm business. It does not include the households of paid employees who are not family members. For a definition of the households to be included see para.6 below.

BACKGROUND: WHY ARE WE COLLECTING THIS INFORMATION THROUGH THE FARM BUSINESS SURVEY?

2. Data from Module N fulfils the following objectives:

(a) It shows the total demand on the farm business in terms of level of drawings
(b) It shows the number of households that have at least some dependency on drawings from the farm business
(c) For the household of the principal farmer, it shows the level of household income sourced from outside the farm business, enabling an assessment of the importance of farm income in relation to total household income

3. The above information provides a better understanding of the economic relationship between the farm business and the households linked to it. When combined with data from the core FAS24 it will help to explain farm business behaviour, survival and sustainability and enable a better assessment of the likely impact of new policy.

4. The data collected in this module will not necessarily be identical to that collected for Section K. This section covers the income of **all** people living in the household whilst Section K only relates to the farmer and spouse.

Integrated System: Section N
Manual data entry, but pre populated with last year's household details, but will need updating for changes. Income details needed, and % split of drawings, the total of which are shown at foot of sheet from Section G.

Column Definitions

5. A separate row is completed for each household. A household is defined as a single person or group of people living at the same address as their only or main residence, who either share one meal a day together or share the living accommodation (i.e. a living room).

6. To be recorded in Module N a household must contain **at least one person who received drawings from the farm business as recorded at FAS 24, Section G, line 73, or who took a share of the profit from the business.**

7. Columns 1 to 3, 7 and 10 to 14 inclusive are to be completed for all households (using definition of 'household' at paras 4 and 5 above). Note that column 8 ("other household income code") must also be completed for the household of the principal farmer (i.e. household code 1, recorded in column 1) but not for any other households recorded in Module N.

8. **Household code** (col 1):
Record each household on a separate row here. For the definition of households to be recorded here see para. 1 above.

9. **Dwelling code** (col 2):

This is the dwelling in which the household normally resides. A dwelling is defined as a self contained property. It can be attached to another property and it does not have to be on or near the farm. In the majority of cases, one dwelling will contain no more than one household. Dwellings are numbered sequentially from 1 (1 being the household of the principal farmer).

10. **Status of household code** (col 3):
This is the status of the person (or persons) within the household who took drawings or a share of profit from the farm business. The following codes are used to indicate the status of the household:

Code	Description
1	Farmer / farmer and spouse
2	Unpaid partner other than the farmer
3	Unpaid director or manager other than the farmer
4	Combination of farmer / farmer & spouse with one or more unpaid partners, unpaid directors or unpaid managers in the farm household
5	Other

11.**Structure of household data** (cols. 10 to 14):
Record the number of individuals within each household. Farmer and spouse (where they exist) should be recorded in columns 10 and 11 according to the code below. All other individuals should be recorded in columns 12 to 14 using the following definitions:

Code for farmer and spouse (cols 10 and 11)
Enter the appropriate code for the farmer and spouse according to the following criteria:

a)	none	0
b)	below pension age	21
c)	of pension age	22

Number of persons (cols 12 to 14)

Below Pension Age: all those aged 16 and over at the start of the FBS accounting year, except for unmarried 16 to 18 year olds in full time education other than university. Students living in halls of residence should be included within the household. However they should not be included if they are living in private accommodation elsewhere.

Of pension age: men aged 65 and over at the start of the FBS accounting year, and women aged 60 and over at the start of the FBS accounting year.

Children: all those aged under 16 at the start of the FBS accounting year, and unmarried 16 to 18 year old in full time education other than university.

12. **Drawings as a proportion of total drawings at FAS 24, G 73** (col 7):
This shows the percentage of total drawings going to each household as a proportion of total drawings. Entries must be rounded to nearest 5% and must be consistent with total drawings at FAS 24, G 73.

13.**Other household income code** (col 8):
This is the total income from sources **other than** share of profit or drawings from the core farm business **for all members of the household**. Other household income, therefore, comprises:

(a) Wages and salaries from any form of paid employment both on and off the farm. Note that this **includes** wages received for work carried out on the farm paid to members of any of the households recorded in col. 1 (these individuals will be listed with the paid labour on lines 10 to 16 of Section B of the FAS24); however, it **excludes** any "unpaid" wages for individuals listed as wholly or mainly unpaid on lines 1 to 7 of Section B of the FAS24, this is because they will be taking a share of the private drawings recorded in Section G line 73. Note that if a paid family worker working on the farm does not live in a household that has a share of the drawings or a share of the profits, then that worker should not appear in Section N.

(b) Income from any form of self-employment **other than** a share of profit or drawings from the core farm business (i.e. that recorded in the core FAS24).

(c) Income from investments, including interest on deposit and investment accounts, dividends on shares, and income from property (not already recorded in Section I of the FAS24).

(d) Pension income, including that from state and private retirement pensions. Note that persons listed as being over retirement age will be expected to have some pension income.

(e) Social payments, including child allowance, family tax credits and social security benefits (e.g. unemployment benefit, disability allowance, attendance allowance, payments for adopted or foster children).

(f) Other miscellaneous income (e.g. maintenance, , payments from accident or health insurance schemes, payments from friends and relatives outside the household, allowances from a spouse in the forces).

The sum of the above [(a) to (g)] incomes is recorded in column 8 for the household of the principal farmer. Income codes to be used are as follows:

Code	Description
1	No income
2	£1 to below £1,000 per annum
3	£1,000 to below £2,500 per annum
4	£2,500 to below £5,000 per annum
5	£5,000 to below £7,500 per annum
6	£7,500 to below £10,000 per annum
7	£10,000 to below £15,000 per annum
8	£15,000 to below £20,000 per annum
9	£20,000 to below £25,000 per annum
10	£25,000 to below £30,000 per annum
11	£30,000 to below £40,000 per annum
12	£40,000 to below £50,000 per annum
13	£50,000 to below £75,000 per annum
14	£75,000 to below £100,000 per annum
15	£100,000 or more

14. **Worked Example for Section N**

The farmer is a pensioner who receives a state pension (£4,000 p.a.) and drawings from the farm (40%). He has a spouse who is below pension age, has a share of the drawings (10%), but also has a part-time job with the mobile library (£8,000 p.a.).

Also living in the household are:

(a) one son is a partner who receives a share of the drawings (35%) and works on the farm unpaid;

(b) a second son who is not a partner, but gets a wage for working on the farm (£15,000 p.a.);

(c) a spouse of the second son who is unemployed and receives state benefits (£6,000 p.a.).

For this farm for household 1, col 7 should be 40+10+35 = 85% and col 8 should be 4000+8000+15000+6000 = £33,000, which is code 11 in col 8 and is estimated as £35,000 in col 9.

The entry for this farm is therefore (starting with the household code on column 1):

1; 1; 4; 22; 21; 5; 0; 0; 85; 11; 35000.

It is important to note that all income to the household must be accounted for at columns 7 and 8, including wages from the farm (e.g. paid family workers) and all other wages, pensions, investment income and benefits for both those who have an interest and those who do not. The sum of col 7 entries for all households should come to 100%.

If a paid family worker working on the farm does not live in a household that has a share of the drawings or a share of the profits, then that worker should not appear in Section N.

15.**Adults not making any contribution to the principal farmer's household** (lines 91 to 96)
Record the number of adults against each of the categories listed in lines 91 to 96 in column 1.

16.**Non –respondents imputed by Defra** (line 100)
This line is not to be completed by the Research Officer. It is used by Defra as a marker for researchers to show those records that are imputed following closedown.

MODULE R - TENANTED LAND

This section should be completed only for those farmers ***renting in*** land, according to those agreements that cover land rented in for the cropping year covered by the current FBS record (e.g. for an account completed for the 2010/11 FBS year, this would be all the agreements applicable to the 2010 crop year. Include all land rented in, whether under short or long-term agreement. For farms that are fully owner occupied a missing data code of 5 should be entered in row 1.

Integrated System: Section R
Working table at the top of the sheet shows the Section A tenure details for cross reference, and rents paid. Section pre populated with previous years data for reference, but will often need updating.

Definition of Column Headings

1. **Agreement Code**
Enter code 1 to 10 according to the type of agreement and enter each agreement on a separate line. Only legally designated Full Agricultural Tenancies and Farm Business Tenancies should be entered under codes 1, 2, 7 and 8. Any other agreements should be entered according to the following codes:

Code	Description
1	Full 1986 Agricultural Tenancy including SPS entitlements
2	Farm Business Tenancy including SPS entitlements
3	A license for grazing and/or mowing only including SPS entitlements
4	Any other agreement or arrangement that includes SPS entitlements
5	Leased in SPS entitlements without the use of land, in practice
6	Contract farming agreements
7	Full 1986 Agricultural Tenancy without SPS entitlements
8	Farm Business Tenancy without SPS entitlements
9	A license for grazing and/or mowing only without SPS entitlements
10	Any other agreement or arrangement without SPS entitlements

A Full 1986 Act Agricultural Tenancy is a year on year tenancy normally with a life time security and subject to the provisions of the Agricultural Holdings Act 1986, including succession tenancies. Where these tenancies are established without the inclusion of Single Payment Scheme entitlements they should be recorded under code 7.

A Farm Business Tenancy (started on or after 1 September 1995) is a tenancy, written or unwritten, for any period and subject to the provisions of the Agricultural Tenancies Act 1995. Such tenancies, established with or without the inclusion of Single Payment Entitlements in the agreement should be recorded separately according to the codes above.

Missing data codes
Enter a code here when appropriate according to the data provided for columns 2 and 3. For farms that are fully owner occupied a missing data code of 5 should be entered in row 1.

2. **Length of term**:
Enter full length of term in months, this is the length of term from the start to the end of the agreement. If the agreement is a lifetime tenancy enter missing data code 1. If the agreement is for no fixed term or indefinite enter missing data code 2.

3. **Start date:**
Enter the year the agreement started if known. If the agreement is a lifetime tenancy and the start date is unknown enter missing data code 3. If the agreement is for no fixed term and the start date is unknown enter missing data code 4.

4. **Area**:
Enter the area, in hectares, to two decimal places.

5. **Rent**
Total annual rent (excluding VAT, where the rent is vatable), for the agreement in the cropping year covered by the current FBS record (in whole pounds). If the rental period is for less than a year, give the rent for the actual period. If the rent is mostly in kind, enter an approximate value and an equivalent contra entry e.g. contracting, lamb sales . If no rent is paid enter a zero.

6. **Type of Payment**:
Enter the code appropriate to the type of payment for the agreement. Where there is a combination of payment types use the code that applies to the agreement that is highest in terms of value. The payment codes are as follows:

Code	**Description**
1	Rent free
2	Payment in kind
3	Cash payment
4	Zero rent (for agreements where the landowner retains entitlement to single payment

7. **Rent in previous year**:
Enter rent paid under this agreement 12 months ago

8. **Rent review code**:
Enter code 1 if the agreement has undergone a rent review in the last 12 months even if there was no change in rent. If no rent review had been carried out leave this cell blank. A rent review is defined as any process in which rent levels have been re-negotiated, be it by mutual agreement or arbitration, even if the actual rent levels have remained unchanged.

9. **Change to terms or conditions codes**:
If the terms or conditions have changed in the last 12 months enter code 1, otherwise leave blank. For example, the area of land has changed or buildings or other assets added to the agreement.

10. **Agricultural / Horticultural Agreements**:
For columns 10 to 13 enter 1 for each asset type covered by the agreement.

11. **Non-Agricultural / Non-Horticultural Agreements**:
For columns 14 and 15 enter 1 for each asset type covered by the agreement (e.g. property such as houses, cottages and buildings; golf courses; caravan parks).

12. Cost of land only agreements (Full Agricultural Tenancies (FAT); Farm Business Tenancies (FBT))
Information will be rcorded automatically based on entries relating to individual agreements codes 1, 2, 7 & 8 in columns 10 to 15.

SECTION S - SUBSIDIES

General

1. This section provides further details on any livestock compensation schemes and grants recorded in Section E. Appendix 11 provides a list of Section S subsidies and their inclusion elsewhere in the FAS 24.

2. With the exception of compensation payments made under the selective cull (cohort scheme) (see para.12), all livestock subsidies should be recorded on an 'as due' basis such that revenues are recorded in the accounting year which contained the start of the subsidy scheme year under which they are due.

3. The total value of the subsidy due for the current year is to be recorded in column 4, with the number of animals on which the subsidy is due in column 3. For each subsidy payment, the value in column 4 should equal the value of subsidy expected to be paid under the current scheme year, regardless of whether the payment is actually received before the end of the account year.

4. Any difference between estimates made in column 4 of the previous year account and the actual amounts eventually received should be entered in Section G line 77 'other receipts' (see Section G paragraph 29).
5. Where subsidy payments are received in the current year but were due in the previous year, or in earlier years, and were not included in that year's net farm income, an entry should be made in Section D lines 48 and 55 to 60 as appropriate.

6. The subsidy codes to be recorded on the FAS 24 are as follows:

7. **BSE Payments** (lines 30 & 31, 46 to 48, and 52)
BSE payments should be entered on an 'as due' basis in Section E under revenue from sales for the appropriate cattle category (see Section E, para. 7).

Payments for dairy cows made under BSE Compensation Order	Line 30
Payments for beef cows made under BSE Compensation Order	Line 31
Compensation under the Selective Cull	Lines 46, 47 & 48
BSE Offspring Cull	Line 52

If the farm has lost cattle to the selective cull then as much information as is available needs to be recorded in Section S (lines 46 to 48). With complete documentation it should be possible to provide a breakdown of the overall payment between the three lines. Where there are incomplete records the minimum requirement is to complete line 46.

Where more than 10% of the herd is slaughtered an additional 'top-up' payment is made in recognition of the additional interruption to the normal working of the business. This additional payment is equivalent to 0.5% for every 1% of the herd slaughtered in excess of a 10% threshold.

Although a farm may lose more than one animal to the cull on more than one occasion within the account year, the lines need only record the aggregate number of cattle entering the scheme and the total payment received by the farm for those animals. There is also no need to record information on dairy and beef animals separately.

This particular subsidy should be recorded **'as received'.**

8. **TB Disease Compensation** (line 86)

TB compensation paid out by Defra for animals culled during the current year should be entered in line 86. Funds should also be entered in the appropriate animal line in Section E. No insurance payments associated with TB whether "top up" or for consequential loss, should be recorded in Section S (see section E, para 7).

9. **National Scrapie Plan: Compulsory and Voluntary Scrapie Flocks Scheme** (line 89)

From 20th July 2004 in England and Scotland (1 November 2004 in Wales), owners who have a reported and subsequently confirmed case of scrapie will be registered into the Compulsory Scrapie Flocks Scheme (CSFS). The scheme imposes either a slaughter of all small ruminants present on the holding, or genotyping of the entire sheep flock and destruction of any goats. There are derogations for rare breeds or to prevent in-breeding. Compensation will be paid for animals, embryos and ova culled and destroyed. Compensation rates are as follows: adult sheep/goats £90: lambs/kids £50 (£25 per lamb for subsequent lamb crop if derogation for rams granted): cull ewes (ewes used under derogation then culled) £30: embryos £150: ova £5.

10. Sugar levy refund (Row 111)

Payment to growers by British Sugar recovered from the Rural Payments Agency in relation to contract years 2001-2005 and the contract entitlement tonnage (quota) delivered by every grower during the period determines the refund payable. On average the following payment rates applied:

- 2001/02; £0.1683/tonne
- 2002/03; £0.1725/tonne
- 2003/04; £0.04471/tonne
- 2004/05; £0.2222/tonne
- 2005/06; £0.0993/tonne

The Voluntary Scrapie Flocks Scheme was closed to applications on 31 March 2005. Four years is the maximum time for membership. Owners whose flocks have had a confirmed case of scrapie from July 1998 until 19 July 2004 could join the NSP VSFS up until the closing date.

The revenue from either of these schemes should also be included in the appropriate revenue line of Section E.

11. **Single Payment Scheme** (lines 90, 92, 94, 96, 98, 100, 101)

Revenue for each type of entitlement should be entered on the appropriate line together with the number of entitlements the revenue represents.

SECTION T - FARM VEHICLES, UTILITIES, LORRIES AND VANS

1. The purpose of this section is to provide a breakdown of machinery purchases and sales into four categories. The value of these purchases and sales will already have been recorded in Section F line 7 and Section G line 15. Purchases should only include individual vehicles or machines with a purchases price in excess of £500
2. (see Section F, para. 15).

The four categories are:

(a) Cars, all-terrain vehicles and motorcycles (line 1).
This covers the **farm share** (i.e. **excluding** private share) of cars, Land Rovers and other off road vehicles, three and four wheeled motorcycles designed as all terrain vehicles, motorcycles
(b) Lorries trucks and vans (line 2).
This covers trucks and vans with an unladen weight not exceeding three tonnes and larger goods vehicles and lorries over three tonnes unladen weight.
(c) Wheeled tractors (line 3).
This covers wheeled tractors, crawlers and self-propelled sprayers.
(d) Other machinery (line 4).
This covers track laying tractors, fork lift trucks, diggers and loaders, ditchers and trenchers, trailers, other movable and fixed agricultural and non-agricultural specific machinery, office machinery and food processing machinery.

Of the total values recorded in line 4, sub-totals should be recorded for any cultivating (line 6) and harvesting equipment (line 7) which are included in line 4.

Integrated System: Sections T and U
Summarises machinery investment, and is linked to data recorded in the depreciation sheets.
The only direct entry is for the numbers of various vehicles purchased and sold, and any grant claims.

Definition of Columns

3. **Purchases and Sales** (cols. 1 to 6).
For each type of vehicle or machine, record the value of purchases of both new and used vehicles and machines, whether purchased outright, bought under a hire purchase or lease purchase agreement or acquired under a finance lease. Record all sales of assets including the value of items sold for scrap and any rebates of rentals following the termination of a finance lease. Where an asset is traded-in or part-exchanged, care should be taken not to overvalue it in cases where a discount on the purchase price of the replacement item is given as an enhanced trade-in price. The true sales value should be recorded in the sales column and the true discounted purchase price in the appropriate purchases column.

The number of vehicles (line 1), commercial vehicles (line 2) and wheeled tractors (line 3) purchased and sold should also be recorded.

Note that:
T1 line 5 col. 7 = F line 7 col. 2 = G line 15 col. 5 - col. 7
T1 line 5 col. 10 = G line 15 col. 6

4. **Capital Value of New Leases** (col. 8).
Record here the total payments (excluding interest charges and VAT) on all machinery and vehicles acquired under a FINANCE leasing agreement made over the length of the agreement. Under such agreements the lessee never owns the item and is not entitled to any capital allowances against income or corporation tax on it. Only the leaser can claim such capital allowances.

5. Capital Value of New Hire Purchase Contracts (col. 9).
Record here the total payments (excluding interest charges and VAT) on all machinery and vehicles acquired under a hire purchase or lease purchase agreement made over the length of the agreement. Under such agreements the lessee eventually owns the item or has the option to buy it and is entitled to a capital allowance on it against income or corporation tax.

6. Grant Received (col. 10).
Record here any capital grant received.

7. Opening and Closing Valuations, Revaluation and Depreciation (cols. 11 – 14)

Record here the opening and closing valuation of machinery together with any revaluation and depreciation.

SECTION U - OWN ACCOUNT AND CONTRACTED INVESTMENT

1. Investment in buildings and works, woodland, glasshouses and permanent crops should be split between work done and/or materials provided by the farm and work done and/or materials provided by outside contractors. Included under 'farm' should be all work carried out by the farmer and spouse, family workers and hired farm workers. Work done by outside firms, contractors or labour hired by the farmer specifically to undertake building work should be entered under contractors. In some cases there may be an entry under both e.g. where the materials are supplied by the farmer, but the labour is supplied by a building contractor. In all cases materials purchased by the farmer should be recorded under farm and all payments to contractors should be recorded under contractors. All expenditure should be recorded at gross cost before grant.

Total investment in buildings and works, woodlands, glasshouses and permanent crops (col. 1) should equal Section G cols. 3, 4 and 5, lines 13+14+29+31+32

SECTION X – SUBMISSION OF DATA CREDIBILITY CHECK DATA

After running the credibility checks, record in the "Check" column the X codes for data submission, with a brief explanation of the reasons for Type 2 by-passes in the "Reasons for acceptance column". A lookup table exists so that where a common explanation is used for a credibility check this can be automatically entered. Care needs to be taken with the lookup table to ensure that the X codes remain in alphabetical order to ensure the correct type 2 details are used. A comment appears when the list is not in order, and a macro is available to re-sort the list to the correct order again.

In spreadsheet column M there is a table which allows comments to be added to the csv file to provide Defra with additional information about the account which may help in query sorting at a later data.

Type 1 checks	Indicate an error in the data and cannot be by-passed.
Type 2 checks	Are generally FADN checks and can only be by-passed, following a review of the data by the RO, if a brief explanation is included in the "reasons for acceptance" column.
Type 3 checks	These checks may be by-passed once the RO is sure that the data is correct.

SECTION AA – SUMMARY RECORD OF SUBMISSIONS

Integrated system: Section AA
To the right of the Section AA details is a table which allows the submission history to be recorded. Column 1 indicates to Defra the areas of the FBS record which are being submitted. The number "1" should be entered in column 1 (lines 1 to 8) to indicate the areas being submitted:

FAS24	Line 1
J&K	Line 2
M1	Line 3
M2	Line 4
N	Line 5
P	Line 6
R	Line 7
O	Line 8

The entries in column 1 will change as various modules are completed at different times.

A submission history is possible by recording previous details in the columns to the right.

SECTION Y – STRUCTURAL CHANGE

Integrated System: Section Y Details of structure change are recorded by manual data entry. Cell headings colour coded to match with colour coding of codes and descriptions.

The purpose of this section is to pick up structural changes on farms that cover every, and all structural change, as opposed to normal changes instigated by management in response to the dynamic nature of farming and responding to economic conditions.

Structural change is a significant and deep reaching change in the **management, production and or ownership / tenure** of farms and or farm resources. These changes are generally those changes that occur infrequently on an individual farm and are likely to result in a change in the future direction of the farming business.

Management Changes –With regard to the management preceding and following the change, there has been a change in management that relates to either the whole or part of the farming business. If there is a change of farmer (Section B row 19) an entry in Y is expected.

Production Change – A structural change in relation to production is where there is for example a:

- Complete cessation of a previously operated enterprise/income stream,
- Introduction of a new enterprise/income stream,
- Significant change (+/-) in the scale or intensity of an enterprise,
- Significant change (+/-) in resources (land, buildings, capital, machinery, labour or livestock)
- Significant technological or specialisation change,

Ownership/Tenure - With regard to the ownership / tenure of farm resources immediately preceding and following the change, there has been a structural change if a significant difference is observed to the balance sheet value and or open market value of the resources managed have either changed ownership or tenure.

Recording of changes in this section is focused on observing changes in the business structure and to the physical resource base of farms. While the transaction data of such changes will be evident elsewhere in the farm record data recorded here will shed further light on the changes.

Where there is a significant change in the physical resources of the farm an entry in Y is expected. As a guideline any change in the physical resources of over 25% of the base figure would be expected to have an entry in this section. **Where both increases and decreases occur in one year, the change that is most significant should be be recorded'.** For example, farmer sells small area of land for development at high price and reinvests funds to purchase additional land [more than area sold for development], with the latter noted as most significant and recorded as follows: column 11, code 1; column 12, code2; column 13, code 3.

1. Row Code

This relates the structural change to the accounting year in which it occurs. Structural change which occurred during the period to which the farm account pertains should be recorded in line 1.

2. MDC

Code	Description
0	No data missing
7	Data refused by co-operator
8	Data otherwise unavailable
1	Default setting to trigger RO entry

Change in business structure (relating to the farmer):

3. Column 1 (consequence of change)

Code	**Description**
0	**No change**
1	Farm business continuing but being managed by other family member
2	Farm business continuing but being managed by another (non-family)
8	Farm business continuing but entering into a joint venture/contract agreement

4. Column 2 (primary reason for change)

Code	Description
0	No change
1	Move to another farm business
2	Better business/employment opportunity outside agriculture
3	Maternity
4	Retirement due to age
5	Retirement due to ill health
6	Death of farmer
7	Divorce or other family settlement
8	Financial failure of business
9	Other

Change in physical Resource Base

5. Column 11

Code	Description
0	No change
1	Addition of resources to farm business
2	Reduction of resources to farm business
3	Other

6. Column 12

Code	Description
0	No change
1	Inheritance/bequest
2	Purchase of new resources
3	Sale of existing resources
4	Lease (e.g. FBT)
5	License (e.g. CFA)
6	Other

7. Column 13 (Resources transferred)

Code	Description
0	No change
1	Entire farm
2	Buildings only
3	Land only
4	Dwellings only
5	Land and buildings
6	Other

Example 1: a farmer aged 65, retiring due to the poor financial performance of his business, continuing to live in the local area, who lets land and buildings under an FBT to a new entrant might be coded as:
2844 2451

Example 2: a farmer who passes on the management of the business as an unchanged going concern to a successor due to ill health, but remains physically active on the farm, might be coded as:
1591 0000

If the answer to any one of the four subgroups is unknown, then a 9 (other) should be used.

MISCELLANEOUS INTEGRATED SYSTEM WORKSHEETS

Scratch pad
A blank sheet in the workbook for RO calculations, Also usable by the AAP module as an area to post coded items from the analysis which the RO has chosen not to allocate directly to a cell location. (What does this mean???)

Class
Calculates the farm classification and shows the SLR calculation, based on livestock numbers and crop areas from within the FAS24. No data entry required. Sheet contains details of the individual elements of each farm type classification with colour references to each element of the calculation.

SLR
Calculates the SLR based on livestock numbers and crop areas. No data entry required.

08_09 Farm type (Should this now be the "Standard Output" tabs???)
Entry of livestock numbers and crop areas under the given heading calculates the farm type and classification for the following year to help identifying changes in Centre farm sample. Calculations use the NextClass and next SLR sheets and duplicate the Class and SLR calculations.

LYData
Linked to the previous years FAS24 file. The data is held on one sheet so that links to the previous file can be easily broken to reduce file size.

Centre Data
Option sheet where Centres can enter their own data. This can then be stored in the same csv format as that used by Defra. This can then be entered into their own database.

Lookups
Sheet used in the calculation of Single Payment Scheme valuations.

APPENDIX 1 – EU REGIONS, ENGLAND REGIONS, COUNTIES & ACCOUNTANCY OFFICES

EU REGION		ENGLAND REGION		COUNTY, UA, OR METROPOLITAN COUNTY		ACCOUNTANCY OFFICE	
East England	**412**	East Midlands	4	South and West Derbyshire	49	Nottingham	04
				Derbyshire	17		
				Leicestershire	31		
				Lincolnshire*	32		
				Northamptonshire	34		
				Nottinghamshire	37		
				Derby	109		
				Leicester	116		
				Rutland	131		
				Nottingham	124		
		East of England	6	Bedfordshire	09	Cambridge	05
				Cambridgeshire	12		
				Essex	22		
				Hertfordshire	26		
				Norfolk	33		
				Suffolk	42		
				Peterborough	125		
				Luton	117		
				Southend-on-Sea	135		
				Thurrock	140		
		London	7	Greater London	01	See**	
		South East	8	Buckinghamshire	11	Reading	07
				East Sussex	21	Reading	06
				Hampshire	24	Reading	07
				Kent	29	Reading	06
				Oxfordshire	38	Reading	07
				Surrey	43	Reading	06
				West Sussex	45		
				Medway	118		
				Bracknell Forest	105	Reading	07
				West Berkshire	143		
				Reading	129		
				Slough	132		
				Windsor and Maidenhead	144		
				Wokingham	145		
				Milton Keynes	120		
				Brighton and Hove	106	Reading	06
				Portsmouth	128	Reading	07
				Southampton	134		
				Isle of Wight	114		
North England	**411**	North East	1	Durham	20	Newcastle	01
				Northumberland	35		
				Tyne and Wear	05		
				Hartlepool	112		
				Middlesbrough	119	Askham Bryan	02

				Redcar and Cleveland	130		
				Stockton-on-Tees	136	Newcastle	01
				Darlington	108		
		North West	2	Cheshire	13	Askham Bryan & Nottingham	03
				Warrington	142	Askham Bryan	03
				Greater Manchester	02	Askham Bryan	03
				East Cumbria	48	Newcastle	01
				West Cumbria	16		
				Lancashire	30	Askham Bryan & Newcastle	03
				Halton	111	Askham Bryan	03
				Blackburn with Darwen	102		
				Blackpool	103		
				Merseyside	03		
		Yorkshire & the Humber	3	North Yorkshire	36	Askham Bryan	02
				South Yorkshire	04		
				West Yorkshire	07		
				Kingston upon Hull, City of	115		
				East Riding of Yorkshire	110		
				North East Lincolnshire	121	Nottingham	04
				North Lincolnshire	122		
				York	146	Askham Bryan	02
West England	**413**	South West	9	Cornwall and Isles of Scilly	15	Duchy	09
				Devon	18		
				Dorset	19		
				Gloucestershire	23	Reading	07
				Somerset	40	Duchy	09
				Wiltshire	46	Reading	07
				Bath and North East Somerset	101		
				Bristol, City of	107		
				North Somerset	123		
				South Gloucestershire	133		
				Plymouth	126	Duchy	09
				Torbay	141		
				Bournemouth	104		
				Poole	127		
				Swindon	138	Reading	07
		West Midlands	5	Shropshire	39	Reading	03
				Staffordshire	41	Nottingham	
				Warwickshire	44	Reading	07
				Worcestershire	47		
				West Midlands	06		
				Herefordshire	113		
				Telford and Wrekin	139	Reading	03
				Stoke-on-Trent	137	Nottingham	
Wales	**421**	(There are no GORs		Blaenau Gwent	201	Aberystwyth	10

		in Wales, but A(60) will be coded as 10)	Bridgend	202		
			Caerphilly	203		
			Cardiff	204		
			Carmarthenshire	205		
			Ceredigion	206		
			Conwy	207		
			Denbighshire	208		
			Flintshire	209		
			Gwynedd	210		
			Ynys Mon/Anglesey	211		
			Merthyr Tydfil	212		
			Monmouthshire	213		
			Neath Port Talbot	214		
			Newport	215		
			Pembrokeshire	216		
			Powys	217		
			Rhondda, Cynon, Taff	218		
			Swansea	219		
			The Vale of Glamorgan	220		
			Torfaen	221		
			Wrexham	222		

Footnotes:
* Nottingham are responsible for the county of Lincolnshire, excluding the (old) district of Holland. The (new) South Holland and Boston districts are in the Cambridge collection area.

** Greater London is split into East and West. East Greater London is in the Cambridge collection area, and West is in the Reading collection area. Note that the following areas are classified as West London: Croydon, Kingston-upon-Thames, Merton and Sutton. Bromley is part of East London.

APPENDIX 2 - ENVIRONMENTAL CHARACTERISTICS AND ACTIVITIES: JOINT CHARACTER AREAS CLASSIFICATIONS

1. North Northumberland Coastal Plain
2. Northumberland Sandstone Hills
3. Cheviot Fringe
4. Cheviots
5. Border Moors and Forest
6. Solway Basin
7. West Cumbria Coastal Plain
8. Cumbria High Fells
9. Eden Valley
10. North Pennines
11. Tyne Gap and Hadrian's Wall
12. Mid Northumberland
13. South East Northumberland Coastal Plain
14. Tyne & Wear Lowlands
15. Durham Magnesian Limestone Plateau
16. Durham Coalfield Pennine Fringe
17. Orton Fells
18. Howgill Fells
19. South Cumbria Low Fells
20. Morecambe Bay Limestone
21. Yorkshire Dales
22. Pennine Dales Fringe
23. Tees Lowlands
24. Vale of Mowbray
25. North Yorkshire Moors and Cleveland Hills
26. Vale of Pickering
27. Yorkshire Wolds
28. Vale of York
29. Howardian Hills
30. Southern Magnesian
31. Morecambe Coast and Lune Estuary
32. Lancashire and Amounderness Plain
33. Bowland Fringe and Pendle Hill
34. Bowland Fells
35. Lancashire Valleys
36. Southern Pennines
37. Yorkshire Southern Pennine Fringe
38. Nottinghamshire, Derbyshire and Yorkshire Coalfield
39. Humberhead Levels Limestone
40. Holderness
41. Humber Estuary
42. Lincolnshire Coast and Marshes
43. Lincolnshire Wolds
44. Central Lincolnshire Vale
45. Northern Lincolnshire Edge with Coversands
46. The Fens
47. Southern Lincolnshire Edge
48. Trent and Belvoir Vales
49. Sherwood
50. Derbyshire Peak Fringe and Lower Derwent
51. Dark Peak
52. White Peak
53. South West Peak
54. Manchester Pennine Fringe
55. Manchester Conurbation
56. Lancashire Coal Measures

57. Sefton Coast
58. Merseyside Conurbation
59. Wirral
60. Mersey Valley
61. Shropshire, Cheshire and Staffordshire Plain
62. Cheshire Sandstone Ridge
63. Oswestry Uplands
64. Potteries & Churnet Valley
65. Shropshire Hills
66. Mid Severn Sandstone Plateau
67. Cannock Chase and Cank Wood
68. Needwood and South Derbyshire Claylands
69. Trent Valley Washland
70. Melbourne Parklands
71. Leicestershire and South Derbyshire Coalfield
72. Mease / Sence Lowlands
73. Charnwood
74. Leicestershire and Nottinghamshire Wolds
75. Kesteven Uplands
76. North West Norfolk
77. North Norfolk Coast
78. Central North Norfolk
79. North East Norfolk and Flegg
80. The Broads
81. Greater Thames Estuary
82. Suffolk Coast and Heaths
83. South Norfolk and High Suffolk Clayland
84. Mid Norfolk
85. Breckland
86. South Suffolk and North Essex Clayland
87. East Anglian Chalk
88. Bedfordshire and Cambridgeshire Clayland
89. Northamptonshire Vales
90. Bedfordshire Greensand Ridge
91. Yardley-Whittlewood Ridge
92. Rockingham Forest
93. High Leicestershire
94. Leicestershire Vales
95. Northamptonshire Uplands
96. Dunsmore and Feldon
97. Arden
98. Clun and North West Herefordshire Hills
99. Black Mountains and Golden Valley
100. Herefordshire Lowlands
101. Herefordshire Plateau
102. Teme Valley
103. Malvern Hills
104. South Herefordshire and Over Severn
105. Forest of Dean and Lower Wye
106. Severn and Avon Vales
107. Cotswolds
108. Upper Thames Clay Vales
109. Midvale Ridge
110. Chilterns
111. Northern Thames Basin
112. Inner London
113. North Kent Plain
114. Thames Basin Lowlands
115. Thames Valley
116. Berkshire and Marlborough Downs

117. Avon Vales
118. Bristol, Avon Valleys and Ridges
119. North Downs
120. Wealden Greensand
121. Low Weald
122. High Weald
123. Romney Marshes
124. Pevensey Levels
125. South Downs
126. South Coast Plain
127. Isle of Wight
128. South Hampshire Lowlands
129. Thames Basin Heaths
130. Hampshire Downs
131. New Forest
132. Salisbury Plain and West Wiltshire Downs
133. Blackmoor Vale and Vale of Wardour
134. Dorset Downs and Cranborne Chase
135. Dorset Heaths
136. South Purbeck
137. Isle of Portland
138. Weymouth Lowlands
139. Marshwood and Powerstock Vales
140. Yeovil Scarplands
141. Mendip Hills
142. Somerset Levels and Moors
143. Mid Somerset Hills
144. Quantock Hills
145. Exmoor
146. Vale of Taunton and Quantock Fringes
147. Blackdowns
148. Devon Redlands
149. The Culm
150. Dartmoor
151. South Devon
152. Cornish Killas
153. Bodmin Moor
154. Hensbarrow
155. Carnmenellis
156. West Penwith
157. The Lizard
158. Isles of Scilly
159. Lundy

APPENDIX 3 - CROP CODES in order of type of crop

Agricultural Crops

001	Winter wheat
002	Spring wheat
003	Mixed wheat
004	Durum wheat
005	Triticale
011	Winter barley
012	Spring barley
013	Mixed barley
021	Winter oats
022	Spring oats
023	Mixed oats
031	Rye
041	Mixed cereals
052	Grain maize
061	Beans for stockfeed
062	Peas for stockfeed
063	Peas harvested dry for human consumption
064	Lupins
066	Soya beans
065	Other protein crops
071	Potatoes - first early (i.e. wholly or mainly harvested by 31st July)
072	Processing potatoes
073	Ware potatoes
074	Seed potatoes
081	Sugar beet (1)
085	Sugar beet quota leased out
093	Flax (1)
094	Linseed
091	Winter oilseed rape - not double low varieties
095	Spring oilseed rape - not double low varieties
096	Winter oilseed rape - double low varieties
097	Spring oilseed rape - double low varieties
090	Crambe
098	Other oilseed rape - double low varieties
092	Other herbaceous oilseed crops (e.g. poppy seed, sunflower)
100	Hemp
101	Hops (1)
103	Medicinal plants, aromatics and spices (mustard, caraway, canary seed, saffron, borage, evening primrose etc.)
104	Herbage seed (grass and clover)
106	Other arable crops (2)

(1)	excluding seed and fodder crops
(2)	excluding horticultural produce
329	Fallow and fertility building arable crops

Horticultural Crops

a) Fresh Vegetables and Strawberries

109	Basic area for fresh vegetables and strawberries grown in a market garden or under glass
127	Vegetable seeds, seedlings and young plants for sale

260	Cabbage - summer and autumn
261	Cabbage - winter and winter storage
136	Brussels sprouts - fresh market
137	Brussels sprouts - processing
256	Cauliflower
140	Winter hardy cauliflowers (broccoli)
255	Beetroot
253	Carrots - fresh market
254	Carrots - processing
146	Parsnips
148	Celery - self blanching
150	Parsley
151	Leeks
257	Onions - bulb
258	Onions - salad or bunch
262	Lettuce - flat or butterhead
263	Lettuce - crisp / iceberg
159	Spinach
160	Green peas - market
161	Green peas - processing
162	Broad beans - market
163	Broad beans - processing
250	Runner and french beans - market
251	Runner and french beans - processing
170	Asparagus
171	Cucumbers
173	Rhubarb
174	Marrows and courgettes
176	Turnips and swedes, mainly for human consumption
179	Tomatoes - heated glass
180	Tomatoes - cold glass
181	Other / mixed fresh vegetables (celeriac, globe and Jerusalem artichokes, chicory, aubergines, pumpkins, kohl-rabi, horseradish, garlic, shallots, chives, radishes, scorzonera, gherkins, spinach beet etc.)
141	Calabrese
217	Strawberries - fresh market
218	Strawberries – processing
219	Raspberries
232	Other/mixed soft fruit including blackberries
233	Watercress
235	Sweet peppers
264	Sweetcorn

b) Nursery Stock

108	Basic area
112	Rose trees and stocks
113	Other ornamental trees and shrubs
224	Fruit stock
225	Container grown plants (112, 113, 224)
265	Christmas trees

c) Flowers and Ornamental Plants

110	Basic area
111	Flower bulbs and tubers
115	Herbaceous perennials
116	Cut bulb flowers - daffodils, tulips and hyacinths

123	Bedding plants, boxes of half hardy annuals etc.
125	Flower seeds, cuttings etc.
129	Chrysanthemums - including all year round, autumn and winter
120	Carnations
121	Freesias
122	All other and mixed cut flowers
124	Pot plants

d) Fruit and Berries

190	Apples - culinary
238	Apples - dessert less than 1,200 trees per hectare
239	Apples - dessert over 1,200 trees per hectare
240	Apples - mixed dessert
197	Apples - cider
247	Pears - less than 1,200 trees per hectare
241	Pears - over 1,200 trees per hectare
246	Pears - mixed
202	Perry pears
203	Quinces
204	Cherries
205	Plums - Victorias
242	Plums - other varieties
243	Nuts - including walnuts, hazelnuts, almonds and sweet chestnuts
230	Other / mixed top fruit including peaches and apricots
214	Red and white currants
244	Blackcurrants - fresh - market and processing
219	Raspberries
220	Gooseberries
232	Other / mixed soft fruit including blackberries
222	Mixed top and soft fruit
223	Vineyard selling wine grapes
245	Vineyard selling wine

Mushrooms

126	Mushrooms (use a type code of 0)
128	Other, e.g. exotic

By-products

321	Straw (including thatching straw)
322	Beet tops
327	Grass seeds, hay
323	Other agricultural by-products
324	Horticultural by-products
325	Fruit by-products (note that fruit for processing should be entered under relevant maincrop code not as a by-product)
328	Vine by-products
326	Other by-products

Arable Fodder Crops

400	Fodder roots and kale - includes mangolds, swedes, fodder carrots, fodder turnips, fodder beet, other fodder roots, kale, kohl-rabi, fodder rape, fodder cabbage etc.
415	Fodder maize
416	Other silage cereals
417	Other fodder crops - includes lucerne, sainfoin, vetch clover (pure sward)

Energy Crops

099	Miscanthus
107	Short rotation coppice
89	Other specialist energy crops, e.g. switch grass / reed canary grass

CROP CODES in numerical order

001	Winter wheat
002	Spring wheat
003	Mixed wheat
004	Durum wheat
005	Triticale
011	Winter barley
012	Spring barley
013	Mixed barley
021	Winter oats
022	Spring oats
023	Mixed oats
031	Rye
041	Mixed cereals
052	Grain maize
061	Beans for stockfeed
062	Peas for stockfeed
063	Peas harvested dry for human consumption
064	Lupins
065	Other protein crops
066	Soya beans
071	Potatoes - first early (i.e. wholly or mainly harvested by 31st July)
072	Processing potatoes
073	Ware potatoes
074	Seed potatoes
081	Sugar beet
085	Sugar beet quota leased out
089	Other specialist energy crops, e.g. switch grass/reed canary grass
090	Crambe
091	Winter oilseed rape - not double low varieties
092	Other herbaceous oilseed crops (e.g. poppy seed, sunflower)
093	Flax (1)
094	Linseed
095	Spring oilseed rape
096	Winter oilseed rape - double low varieties
097	Spring oilseed rape - double low varieties
098	Other oilseed rape - double low varieties
099	Miscanthus
100	Hemp
101	Hops (1)
103	Medicinal plants, aromatics and spices (mustard, caraway, canary seed, saffron, borage, evening primrose etc.)
104	Herbage seed (grass and clover)
106	Other arable crops (2)
107	Short rotation coppice
108	Basic area for nursery stock
109	Basic area for fresh vegetables and strawberries grown in a market garden or under glass
110	Basic area for flowers and ornamentals
111	Flower bulbs and tubers
112	Rose trees and stocks
113	Other ornamental trees and shrubs
115	Herbaceous perennials
116	Cut bulb flowers - daffodils, tulips and hyacinths
120	Carnations

121	Freesias
122	All other and mixed cut flowers
123	Bedding plants, boxes of half hardy annuals etc.
124	Pot plants
125	Flower seeds, cuttings etc.
126	Mushrooms (use a type code of 0)
127	Vegetable seeds, seedlings and young plants for sale
128	Other, e.g. exotic
129	Chrysanthemums - including all year round, autumn and winter
136	Brussels sprouts - fresh market
137	Brussels sprouts - processing
140	Winter hardy cauliflowers (broccoli)
141	Calabrese
146	Parsnips
148	Celery - self blanching
150	Parsley
151	Leeks
159	Spinach
160	Green peas - market
161	Green peas - processing
162	Broad beans - market
163	Broad beans - processing
170	Asparagus
171	Cucumbers
173	Rhubarb
174	Marrows and courgettes
176	Turnips and swedes, mainly for human consumption
179	Tomatoes - heated glass
180	Tomatoes - cold glass
181	Other / mixed fresh vegetables (celeriac, globe and Jerusalem artichokes, chicory, aubergines, pumpkins, kohl-rabi, horseradish, garlic, shallots, chives, radishes, scorzonera, gherkins, spinach beet etc.)
190	Apples - culinary
197	Apples - cider
202	Perry pears
203	Quinces
204	Cherries
205	Plums - Victorias
214	Red and white currants
217	Strawberries - fresh market
218	Strawberries - processing
219	Raspberries
220	Gooseberries
222	Mixed top and soft fruit
223	Vineyard selling wine grapes
224	Fruit stock
225	Container grown plants (112, 113, 224)
230	Other / mixed top fruit including peaches and apricots
232	Other / mixed soft fruit including blackberries
233	Watercress
235	Sweet peppers
238	Apples - dessert less than 1,200 trees per hectare
239	Apples - dessert over 1,200 trees per hectare
240	Apples - mixed dessert
241	Pears - over 1,200 trees per hectare
242	Plums - other varieties
243	Nuts - including walnuts, hazelnuts, almonds and sweet chestnuts
244	Blackcurrants - fresh - market and processing
245	Vineyard selling wine

246	Pears - mixed
247	Pears - less than 1,200 trees per hectare
250	Runner and french beans - market
251	Runner and french beans - processing
253	Carrots - fresh market
254	Carrots - processing
255	Beetroot
256	Cauliflower
257	Onions - bulb
258	Onions - salad or bunch
260	Cabbage - summer and autumn
261	Cabbage - winter and winter storage
262	Lettuce - flat or butterhead
263	Lettuce - crisp / iceberg
264	Sweetcorn
265	Christmas trees
321	Straw
322	Beet tops
323	Other agricultural by-products
324	Horticultural by-products
325	Fruit by-products
326	Other by-products
327	Grass seeds, hay
328	Vine by-products
329	Fallow and fertility building arable crops
400	Fodder roots and kale - includes mangolds, swedes, fodder carrots, fodder turnips, fodder beet, other fodder roots, kale, kohl-rabi, fodder rape, fodder cabbage etc.
415	Fodder maize
416	Other silage cereals
417	Other fodder crops - includes lucerne, sainfoin, vetch clover (pure sward)

(1) Excluding seed and fodder crops
(2) Excluding horticultural produce

APPENDIX 4 - LIVESTOCK ENTERPRISE CODES

1. Dairy Cattle (line 7)

(a) Producer Retailer

(i)	Channel Islands breeds (Jersey, Guernsey)	1
(ii)	Other breeds	2
(iii)	Mixed Channel Islands breeds and other breeds	3

(b) Wholesaler

(i)	Channel Islands breeds (Jersey, Guernsey)	4
(ii)	Other breeds	5
(iii)	Mixed Channel Islands breeds and other breeds	6

(c) Mixed Wholesaler/Producer Retailer - All breeds 7

(d) Farms which lease out part of, or all of their milk quota) and produce no milk 8

2. Other Cattle (line 23)

(a) Beef Cows

(i) All of herd kept on land in receipt of HFAs

Single suckling - spring calving selling stores 10
- autumn calving selling stores 11
- autumn and/or spring calving selling fat cattle 12
- mixed autumn and spring calving selling store cattle 114

Multiple suckling and mixed single and multiple suckling 15

(ii) None of herd kept on land in receipt of HFAs

Single suckling - spring calving selling stores 18
- autumn calving selling stores 19
- autumn and/or spring calving selling fat cattle 20
- mixed autumn and spring calving selling store cattle 115

Multiple suckling and mixed single and multiple suckling 23

(iii) Part of herd kept on land in receipt of HFAs 26

(b) Buying young calves/transferring in calves from the dairy herd selling/transferring out

(i)	Dairy followers	29
(ii)	Stores - young stores (3-6 cwt)	30
	- forward stores (6 cwt or more)	31
(iii)	Veal calves (3-6 months)	32
(iv)	Fat cattle - intensive cereal beef (8-14 months)	33

	- semi-intensive beef (15-24 months)	34
	- traditional mainly grass beef (2 yrs +)	35
(v)	Other/mixed (include here calves for rearing, reared calves etc, mixtures of types i to iv)	38

(c) Buying young stores (3-6 cwt) selling

- forward stores (6 cwt or more)	40
- fat cattle	41
- mixed forward stores/fat cattle	42

(d) Buying forward stores (6 cwt or more) selling fat cattle 43

(e) Mixed fattening (mixtures of B, C and D above) 44

(f) Mixed breeding and fattening (mixtures of A, B, C and D above) 45

3. Sheep (line 38)

(a) Lowland flock (none of ewes kept on land in receipt of HFAs) selling

- 2/3 or more of lambs store	100
- 2/3 or more of lambs fat	101
- mixed fat and store lambs (neither 2/3 or more)	102

(b) LFA flock (all of ewes kept on land in receipt of HFAs)

- 2/3 or more of lambs store	103
- 2/3 or more of lambs fat	104
- mixed fat and store lambs (neither 2/3 or more)	105

(c) Mixed breeding (mixture of Lowland and LFA flocks) 106

(d) Buying stores selling fat sheep 63

(e) Mixed breeding/buying stores selling fat sheep/other 64

4. Pigs (line 49)

(a) Outdoor breeding selling

- weaners	65
- fat pigs	66
- mixed weaners/fat pigs	67

(b) Indoor breeding selling

- weaners	68
- fat pigs	69
- mixed weaners/fat pigs	70

(c) Mixed indoor/outdoor breeding 71

(d)	**Buying weaners selling fat pigs**	72
(e)	**Mixed breeding/buying weaners selling fat pigs/other**	73
(f)	**Fat pigs (line 45)**	
(i)	Sale of heavy hogs > 75kg	1
(ii)	Sale of baconers 55 - 75kg	2
(iii)	Sale of porkers < 54.9 kg	3
(iv)	Mixed sales of heavy hogs and baconers	4
(v)	Mixed sales of baconers and porkers	5

NB: if there is an entry in col. 15 only, then it is regarded as a sale to themselves - usual code: 3

5. Poultry (lines 53 to 60)

(a) Laying hens selling

- breeding poultry (hatching eggs, day old chicks and/or pullets)	74
- eggs for eating - battery	75
- deep litter	76
- mixed battery/deep litter/barn/free range	77
- farmyard/non commercial	78
- *free range*	*87*
- mixed breeding poultry/eggs for eating/other	79

(b)	**Buying hatching eggs or day-old chicks, selling reared / point of lay pullets**	80
(c)	**Broilers (line 57)**	81
(d)	**Other table chickens - capons etc. (line 58)**	82
(e)	**Turkeys (line 59)**	83
(f)	**Ducks, geese and other poultry (line 60)**	84

6. Other livestock (used in lines 66, 67, 69 & 71)

(a)	**Goats**	85
(b)	**Deer (line 67)**	107
(c)	**Other animals & miscellaneous livestock receipts (line 66)**	
	Sheep for dairy purposes	108
	Buffalo	109
	Alpaca	110
	Ostrich	111
	Wild boar	112
	Others	113
	Goats for dairy purposes	116

NB Contract Rearing

When livestock are produced under contract increase the code by 2000, e.g. broilers under contract 2081. For goats under contract use code 2085.

Where a farm produces a type of livestock both under contract and on its own behalf the enterprise code should be increased by 1000 (e.g. broilers partly under contract and partly on own behalf should be entered as 1081) and a comment made. For goats partly under contract use type code 1085.

APPENDIX 5 - MILK PRODUCTS CONVERSION FACTORS

		Litres of Liquid Whole Milk per **Tonne** of Product
Butter -	summer milk	20,540
	winter milk	20,540
Cheese -	Cheddar / Dunlop	9,365
	Cheshire	9,089
	Lancashire	8,809
	Derby	9,637
	Double Gloucester	9,619
	Leicester	9,702
	Caerphilly	9,075
	Wensleydale	9,082
	Stilton	9,050
	soft cream	8,950

		Litres of Milk with 4.06% Fat Content per **Litre** of Cream
Cream -	with 55% fat content	13.4
	48% fat content	11.8
	35% fat content	8.6
	23% fat content	5.7
	18% fat content	4.5
	12% fat content	3.0

	Litres of Milk with 3.9% Fat Content per **Tonne** of Cream
with 55% fat content	13,758
48% fat content	12,005
35% fat content	8,664
23% fat content	5,715
18% fat content	4,403
12% fat content	2,946

Source: UK Dairy Facts and Figures.

APPENDIX 6 – CALCULATION OF LIVESTOCK CLOSING VALUATIONS

Example 1: No significant change in size or quality of herd during year.

(Judgements must be made by the farmer and RO on whether small changes in the age structure and size of the herd significantly affect the average value per head.)

Method: Assume same average value per head, before BLSA, at closing valuation as in opening valuation.

Opening valuation: 75 cows @ £700 per head = £52,500
Purchases/transfers in: 15 cows in at £13,500 (i.e. @ £900 per head)
Sales/transfers out: 15 cows out at £7,500 (i.e. £500 per head).

Closing valuation: 75 cows @ £700 per head = £52,500 + BLSA.

Example 2: Significant increase in size of herd.

Method: Adjust the value of the animals in the closing valuation to reflect the change in herd structure; e.g. if the herd size increases due to additional purchases/transfers in of heifers-in-calf, then the average value per head, before BLSA, should be higher than in the opening valuation. Calculate the closing value as if there was no change in herd size and then add on the value of the additional animals.

Opening valuation: 75 cows @ £700 per head = £52,500
Purchases/transfers in: 25 cows in at £22,500 (i.e. @ £900 per head)
Sales/transfers out: 15 cows out at £7,500 (i.e. £500 per head).

Closing valuation: 75 cows @ £700 per head = £52,500,
plus an additional 10 cows @ £860 (assuming depreciation per head per year = £80 and animals on farm for half of year) = £8,600.

Therefore, total closing valuation is 85 cows worth £61,100 (i.e. £718 per head before BLSA) + BLSA.

Example 3: Significant decrease in size of herd.

Where the herd is contracting, the average age of the animals remaining may rise and the average value per head, before BLSA, may consequently fall. Calculate the closing value as if there was no change in herd size and then deduct the value of the shortfall.

Opening valuation: 75 cows @ £700 per head = £52,500
Purchases/transfers in: 5 cows in at £4,500 (i.e. £900 per head)
Sales/transfers out: 15 cows out at £7,500 (i.e. £500 per head).

Closing valuation: 75 cows @ £700 per head = £52,500
less 10 new animals @ £860 (see assumptions above) = £8,600.

Therefore, total closing valuation is 65 cows worth £43,900 (i.e. £675 per head before BLSA) + BLSA.

Example 4: Significant change in quality and size of herd.

Method: Where quality of the herd changes significantly during the year due to purchases/transfers in of higher (lower) quality replacements, calculate the closing value as if there was no change in herd size or quality; add on the excess in the number of animals purchased (over number sold) valued at the purchase price (depreciated to the end of the year) and add on the difference in value due to the change in quality over replacement animals (depreciated to the end of the year).

Opening valuation: 75 cows @ £700 per head = £52,500
Purchases/transfers in: 25 cows in at £31,500 (i.e. £1,260 per head)
Sales/transfers out: 15 cows out at £7,500 (i.e. £500 per head).

Closing valuation: 75 cows @ £700 per head = £52,500
<u>plus</u> an additional 10 higher quality cows @ £1,184* = £11840
<u>plus</u> the value of the higher quality on 15 cows @ (£1184-860) = £4,860

Therefore, total closing valuation is 85 cows worth £52,500 + £11,840 + £4,860 = £69,200 (i.e. £814 per head before BLSA) + BLSA.

* (purchase price less half year depreciation of 0.5* (1260-500)/5 = £76)

APPENDIX 7 - CALCULATION OF CLOSING VALUATION OF MATURE BREEDING LIVESTOCK

DEFINITIONS

$$CV = OVy + By - Dy + PV + Bp - Dp$$

where CV = closing valuation
OVy = opening valuation of animals on the farm for the whole year
By = BLSA for animals on the farm for the whole year
Dy = depreciation of animals on the farm for the whole year
PV = value of purchases in the year (including transfers in)
Bp = BLSA on animals purchased
Dp = depreciation of animals purchased

Since $OVy = OV - OVs$ and $OVs = SV - Bs + Ds$

where OV = opening valuation of all animals
OVs = opening value of animals sold (transferred out, died)
SV = sales value of animals sold (transferred out, died)
Bs = BLSA on animals sold (transferred out, died)
Ds = depreciation of animals sold (transferred out, died)

$$CV = OV - SV + PV + Bt - Dt$$

where $Bt = By + Bp + Bs$ = Total BLSA
$Dt = Dy + Dp + Ds$ = Total depreciation

EXAMPLE 1 NO CHANGE IN HERD SIZE OR QUALITY

In this case, in the absence of BLSA, gains in value during year would equal losses in value.

i.e. $PV = SV + Dt$

Then $CV = OV + Bt$

This shows that total BLSA should be added to the closing value before BLSA. The algebra for the other cases is more difficult but the addition of total BLSA provides correct results for the standard cow by cow examples (see examples B, C and D on sheet 1).

CALCULATION OF BLSA FOR MATURE BREEDING LIVESTOCK

DEFINITIONS

$$Bt = R\,[OVy + PV*Tp + OVs*Ts]$$

where

Bt = total BLSA for animals in a particular livestock category
OVy = opening valuation of animals on the farm for the whole year
PV = value of purchases in the year (including transfers in)
OVs = opening value of animals sold (transferred out, died)
Tp = the proportion of the annual R occurring after purchases made
Ts = the proportion of the annual R occurring before animals were sold (transferred out, died)
R = the annual proportionate change in price for the particular livestock category

The R values below are for illustration purposes only, as RBR circulate new R values annually:

Dairy cows (and bulls)	1.24
Beef cows (and bulls)	0.94
LFA ewes (and rams)	0.86
Non-LFA ewes (and rams)	0.97
Sows and boars	0.95

FORMULA USED IN FBS INSRUCTIONS

$$Bt = R[(OV - OVs) + PV*Tp + OVs*Ts]$$

$Bt = R[OV + PV*Tp - OVs*(1-Ts)]$ (as quoted in Section E of FBS instructions)

Since SV = OVs + Bs - Ds

where

SV = sales value of animals sold (transferred out, died)
Bs = BLSA on animals sold (transferred out, died)
Ds = depreciation of animals sold (transferred out, died)

SV can be used instead of OVs in the formula, if Bs - Ds = 0

Where there are deaths, Bs - Ds < 0 and an estimate of OVs has to be used rather than SV (rows 94 to 102 of the BLSA worksheet refer).

APPENDIX 8 - GRAZING LIVESTOCK UNITS

	Livestock Units per head
Dairy cows	1.00
Beef Cows	0.75
Heifers in calf (rearing)	0.80
Bulls	0.65
Other cattle, 2 years and over	0.80
Other cattle, 1 to 2 years	0.65
Other cattle, under 1 year	0.34
Rams	0.08
Lowland ewes	0.11
Upland ewes	0.08
Hill ewes	0.06
Breeding ewe hoggs, 6 months to 1 year	0.06
Other sheep, over 1 year	0.08
Store lambs, under 1 year	0.04
Boars	0.35
Breeding sows	0.44
Gilts in pig	0.20
Maiden gilts	0.18
Other pigs	0.17
Cocks, hens, pullets in lay	0.0017
Pullets, one week to point of lay	0.003
Broilers	0.0017
Other table chicken	0.004
Turkeys	0.005
Ducks, geese, other poultry	0.003
Horses	0.80
Breeding female goats	0.16
Other goats	0.11

APPENDIX 9 - WORKED EXAMPLES OF TREATMENT OF BAD DEBT

1. Three examples of how the fieldbook is to be completed are shown below. The following scenarios involving bad debts are illustrated:

  i. A bad debt involving a transaction of £1,000 from which only £400 was recovered. Transaction and settlement in same accounting year.

  ii. A transaction of £1,000 in year 1 leading to a loss of £600 in a final settlement in year 3. Because of the lack of information, no advance provision was made for expected losses.

  iii. A bad debt involving a transaction of £1,000 in year 1 from which only £250 was eventually recovered in year 3. However, at the end of year 1, there was no reason to suspect that anything was wrong. In year 2, the company went into receivership and it was rumoured that creditors might not receive all their money back. A provision for bad debt of £400 was agreed between farmer and accounting officer. The final settlement in year 3 led to a recovery of only £250 and so a further £350 had to be written-off.

SCENARIO (i)

Year 1

				O/V	C/V	revenue		write-offs
D	Bad debts (composite)	54		1,000	0	400		600

				O/V	C/V			
G	Debtors — all other	91		0	0			
	Suspended debtors	93		1,000	0			
	Cash at bank	22		0	400			

SCENARIO (ii)

Year 1

				O/V	C/V	revenue		write-offs
D	Bad debts (composite)	54		0	0	0		0

				O/V	C/V			
G	Debtors — all other	91		0	1,000			
	Suspended debtors	93		0	0			

	Cash at bank	22		0	0			

Year 2

				O/V	C/V	revenue		write-offs
D	Bad debts during year	54		0	0	0		0

				O/V	C/V			
G	Debtors — all other	91		1,000	1,000			
	Suspended debtors	93		0	0			

	Cash at bank	22		0	0			

Year 3

				O/V	C/V	revenue		write-offs
D	Bad debts during year	54		1,000	0	400		600

				O/V	C/V			
G	Debtors — all other	91		0	0			
	Suspended debtors	93		1,000	0			

				O/V	C/V			
	Cash at bank	22		0	400			

SCENARIO (iii)

Year 1

				O/V	C/V	revenue		write-offs
D	Bad debts (composite)	54		0	0	0		0

				O/V	C/V			
G	Debtors — all other	91		0	1,000			
	Suspended debtors	93		0	0			

			O/V	C/V			
Cash at bank	22		0	0			

Year 2

				O/V	C/V	revenue		write-offs
D	Bad debts during year	54		1,000	600	0		400

				O/V	C/V			
G	Debtors — all other	91		0	0			
	Suspended debtors	93		1,000	600			

Cash at bank	22		0	0			

Year 3

				O/V	C/V	revenue		write-offs
D	Bad debts during year	54		600	0	250		350

				O/V	C/V			
G	Debtors — all other	91		0	0			
	Suspended debtors	93		600	0			

			O/V	C/V			
Cash at bank	22		0	250			

APPENDIX 10 - COUPLED SUBSIDIES

ENGLAND – Upland Entry Level Scheme [UELS] and Organic Uplands Entry Level Scheme UOELS				
Payment Date	Payment on	Rate £/ha		Section I
Aut 2012 and Spring 2013	Other SDA land (UELS)	62.00		222
Aut 2012 and Spring 2013	Other SDA land-moorland parcels of15ha or more (UELS)	23.00		222
Aut 2012 and Spring 2013	Other SDA land – Organic Upland Entry Level Scheme (UOELS)	92.00		223

APPENDIX 11 – SUBSIDIES ENTERED IN SECTION S AND ELSEWHERE IN FAS 24

	Section S Line Number	Additional Recording in FAS 24
Compensation under the Mark and Release Scheme	24	Section E, lines 37 column 12
Payment for dairy cattle made under the BSE Compensation Order	30	Section E, lines 03 and 04, column 12
Payment for beef cattle made under the BSE Compensation Order	31	Section E, lines 10 and 74, column 12
Compensation under the Selective Cull	46, 47 and 48	Section E, lines 3, 4, 10, 74, 13, 14, 15, 16, 18, 20 and 21, column 12
BSE Offspring Cull	52	Section E, lines 5, 13, 14, 16, 18, 20 and 21, column 12
Foot & Mouth Disease Light Lamb Scheme	79	Section E, line 79 (disease compensation and insurance receipts for consequential loss) col 12
TB Disease Compensation from Defra	86	Section E livestock revenue line, column 12
National Scrapie Plan: compulsory and voluntary	89	Section E, various lines, column 12
EU modulation refund	105	Section D row 85

Entitlements to Single Payment Scheme

Moorland within SDA - normal	90	Section I, line 801
Moorland within SDA – normal, formerly set-aside	91	Section I, line 801
Moorland within SDA - special	92	Section I, line 801
Moorland within SDA - authorisations	93	Section I, line 801
Other land within SDA - normal	94	Section I, line 801
Other land within SDA – normal , formerly set-aside	95	Section I, line 801
Other land within SDA - special	96	Section I, line 801

Other land within SDA - authorisations	97	Section I, line 801
Outside SDA - normal / standard	98	Section I, line 801
Outside SDA – normal, formerlyset-aside	99	Section I, line 801
Outside SDA - special	100	Section I, line 801
Outside SDA - authorisations / National Reserve	101	Section I, line 801
Sugar compensation	103	Section I line 801

APPENDIX 12 - CODES FOR MISCELLANEOUS AND NON-FARMING ACTIVITIES

This code list is to be used with Sections I and J to record non-farming activities. This list is hierarchical to enable the greatest level of detail to be recorded on each farm. Where ROs. feel that using a detailed code would be potentially disclosive for a farm, a more aggregate code can be entered.

Code	Activity
100	**Processing and retailing of farm produce**
110	Processing of farm produce
111	Processing of cereal products - excluding alcohol
112	Processing of horticultural products - excluding alcohol
113	Processing of other crop products - excluding alcohol
114	Alcoholic products from farm produce
115	Cheese making
116	Processing of other livestock products
120	Retailing of farm produce
121	PYO
122	Retailing of farm produce through dedicated farm shop
123	Retailing of farm produce through direct sales from farmhouse
124	Retailing of farm produce through other channels (e.g. farmers' market, side of road, delivery box scheme)
130	Gross profit on resale of purchased agricultural produce
140	Washing / grading of farm produce
141	Vegetable and fruit washing / grading / packing
142	Other washing / grading
	Management agreements, agri-environment payments and other subsidies
	Agri-environment Schemes
211	Environmentally Sensitive Areas
212	Organic Aid Scheme / Organic Farming Scheme
213	Countryside Stewardship Scheme
214	Woodland Grant Scheme
215	Farm Woodland Premium Scheme
216	Tir Gofal (Wales Only)
217	Entry Level Stewardship (ELS)
218	Organic Entry Level Stewardship (OELS)
219	Higher Level Stewardship (HLS)
221	Tir Eryri (Wales only)
222	Upland entry level scheme (UELS)
223	Organic upland entry level scheme (OUELS)
224	Transition Scheme
225	Glastir on own farm (non Glastir Common Land (Wales only)
226	Glastir Common Land (Wales only)
	Project-Based Schemes
251	Processing and Marketing Scheme
252	Rural Enterprise Scheme
253	Energy Crops Scheme
254	Vocational Training
255	MENTERRA (Welsh agri-innovation project)
	Other Schemes
262	Moorland Scheme
263	Habitat Scheme
264	Countryside Access Scheme
265	Nitrate Vulnerable Zone

Other grants and subsidies

271 SSSI
272 Disaster Aids
273 Farm Diversification Scheme
274 Permanent Crop Establishment Grants
275 Sundry Grants
276 The appropriate annual share (depending on asset life) of machinery purchase grants
277 The appropriate annual share of glasshouse purchase grants

299 Other management agreements

300 Rent and Wayleaves (nb. not including tourist accommodation)

310 Cash rent for sub-letting all or part of farmhouse
321 Imputed rent for tenant farmers living in the farmhouse
330 Cash rent for farm cottages by people not connected with the day to day operation of the farm, retired farm workers or current farm workers
340 Imputed rent for farm worker or farm manager living in farm cottages
350 Other rents where farm buildings are rented for commercial or other purposes not connected with the core-farm business
360 Other payments in kind where farm buildings or land are rented for commercial or other purposes not connected with the core-farm business
370 Contract Farming Rent
380 Wayleaves
381 Mobile telephone masts, Wind turbines & Solar panel installations
390 Rent from irrigation and heating for glasshouses

400 Recreation including activities such as shooting, fishing, nature trails, agricultural shows, sports, sheepdog trials, etc. Specific optional codes are provided for equine activities and sports.

410 Equine activities
411 Income from livery
420 Sports
421 Golf

500 Tourist Accommodation and Catering

510 Camp / caravan sites
520 Bed and breakfast
521 Bed and breakfast within farmhouse
523 Bed and breakfast within dedicated buildings
530 Holiday cottages
540 Catering e.g. farmhouse teas

600 Trading, manufacturing and rural crafts (including production and/or retailing of goods, repair or restoration of machinery and other items, retailing of non-farm produce and gross profit on resale of purchased non-agricultural products)
610 Rural crafts
620 Trading

700 Services
710 Waste disposal
720 Receipts for training work, open days etc.
730 Miscellaneous services e.g. metal detecting, roadside advertisements
750 Green technology power generating
751 Wind turbines
752 Solar power
753 Anaerobic digesters
754 Other green technology power operations

Single Payment Scheme

810 Single Farm Payment

Leasing of SPS Entitlements

811 Moorland within SDA - normal
812 Moorland within SDA - set-aside
813 Moorland within SDA - special
814 Moorland within SDA - authorisations
815 Other land within SDA - normal
816 Other land within SDA - set-aside
817 Other land within SDA - special
818 Other land within SDA - authorisations
819 Outside SDA - normal / standard
820 Outside SDA – normal, formerly set-aside
821 Outside SDA - special
822 Outside SDA - authorisations / National Reserve

900 Other miscellaneous receipts (other receipts not included in subheadings below should be entered under aggregate code 900).
912 Agricultural hirework
913 Non-agricultural hirework
920 Sundry woodland sales
930 Co-op trading bonuses
940 Capital credits
950 Miscellaneous insurance receipts
960 Unspecified compensation payments e.g. pipes through land
961 Transco pipeline payments

990 FMD distress donation

999 Total Output

Further Details of Activity Codes:

Grants and Subsidies (codes 210-240)

1. All crop and livestock disaster aid and other compensation payments for lost output should be recorded **"as due"**. All other subsidies,should continue to be recorded "as received". Hill farm allowance should be recorded "as due". Landlord-type capital grants are excluded from this section as are any grants or subsidies on current costs. The latter should be included within Section F1 col. 4. The capital value of grants to occupiers given in respect of machinery, glasshouses and permanent crops entered in Section G1 lines 13 to 15, should also be written off over a ten year period here, under the appropriate activity codes. For the Apple Orchard Grubbing Up Scheme, the full value of the grant should be entered in Section G1 line 10, and should also be written off over a ten year period here.

Imputed Rents (activity codes 320, 340)

2. Where a farm worker or farm manager does not pay a cash rent for living in a farm cottage, an imputed rent equal to the statutory value prescribed by the Wages Board should be included (and also in col. 6 of Section B). Any cash or non-cash rent for land let to workers is not included here, but in Section C, lines 406 and 407.

Hirework (code 910)

3. An entry should be made for all work performed off the holding using farm resources (labour, machinery etc.). This will include work carried out on other farms or for the local authority (hedge trimming, snow clearance, collection of school children etc.) using farm labour (including the farmer and spouse), vehicles or machinery.

Sundry Woodland Sales (code 920)

4. Revenue arising from the sale of immature trees or from the sale of thinnings for Christmas trees, firewood, fence posts etc. from farm woodlands are to be recorded along with any sale of timber from the UAA. Sales of mature timber from farm woodlands should not be entered here but should appear within Section G at line 29.

Capital Credits (code 940)

6. Where a building or glasshouse has been erected, an improvement made or a permanent crop established using farm labour and equipment and incurring costs which cannot be excluded from Section F, a balancing item should be inserted under Capital Credits. (Where net costs have been entered in Section F there will be no entry here.)

APPENDIX 13- CALCULATION OF RENTAL VALUES

Example of rental value calculation using new methodology; Steps 1, 2 & 3.

	Example 1	Example 2
STEP 1		
Land		
House	£13,125	£22,125
SFP Entitlements		
Milk Quota		
STEP 2		
Buildings		
STEP 3		
Income Bearing Assets*	£5,625	£12,484
Total	£18,750	£40,379
Rental value per hectare	£179	£228

Income Bearing Assets (IBAs), are defined as what inherently stays with the farm should there be a change of occupier. Hirework is therefore excluded because the machinery used for this activity can move with the occupier.
Definition: Income bearing assets cover all activities in section I, except: SPS Payments; Environmental Payments; Hirework; Miscellaneous Income; income from Processing and Retailing of Farm Produce.
Prerequisite

APPENDIX 14 - READY RECKONER FOR ASSESSING HOURS WORKED ON FARM

A. Regular Hours, After Deducting 8 Public Holidays

Number of Weeks Holiday / Illness	Total Basic Hours per Week			
	10	**20**	**30**	**40**
1	494	988	1482	1976
2	484	968	1452	1936
3	474	948	1422	1896
4	464	928	1392	1856
5	454	908	1362	1816
6	444	888	1332	1776
7	434	868	1302	1736
8	424	848	1272	1696
9	414	828	1242	1656
10	404	808	1212	1616

B. Add Overtime Hours

Number of Weeks with Overtime	Hours of Overtime per Week						
	1	**2**	**3**	**4**	**5**	**10**	**20**
50	50	100	150	200	250	500	1000
49	49	98	147	196	245	490	980
48	48	96	144	192	240	480	960
47	47	94	141	188	235	470	940
46	46	92	138	184	230	460	920
45	45	90	135	180	225	450	900
40	40	80	120	160	200	400	800
35	35	70	105	140	175	350	700
30	30	60	90	120	150	300	600
25	25	50	75	100	125	250	500
20	20	40	60	80	100	200	400
15	15	30	45	60	75	150	300
10	10	20	30	40	50	100	200
5	5	10	15	20	25	50	100

APPENDIX 15 - GUIDANCE FOR HOURLY RATES FOR UNPAID LABOUR

The following is a set of data sources that you may find useful when valuing unpaid labour. ROs are not compelled to use any of these data; rather it is intended as a guide.

(a) Minimum Wages Rates applied from 4 April 2011

Whole time only, per week.

		Earnings	£/hr	Overtime
	Compulsory school age		3.05	4.58
Grade 1	Above school age	237.90	6.10	9.15
Grade 2	Standard worker	264.03	6.77	10.16
Grade 3	Lead worker	290.55	7.45	11.18
Grade 4	Craft grade	311.61	7.99	11.99
Grade 5	Supervisor	329.94	8.46	12.69
Grade 6	Management	356.46	9.14	13.71
All apprentices Year 2				
Age 16-17		143.52	3.68	5.52
Age 18-20		194.22	4.98	7.47
Age 21+		232.05	6.08	9.12

Data taken from the Agricultural Wages Order 2011
http://archive.defra.gov.uk/foodfarm/farmmanage/working/agwages/documents/awo11.pdf

APPENDIX 16 - HIRE PURCHASE, LEASING AND RENTAL PACKAGES

There are various arrangements under which farms may obtain assets or their services, all of which are treated slightly differently in the FBS.

1. **Definitions**

a) **Hire Purchase** is where a Finance Company purchases a machine from a farmer's chosen dealer and the farmer agrees to pay a hire charge at regular intervals for a set period, usually monthly or quarterly, for 3 to 5 years. Under the agreement the farmer has the option to buy the machine at the end of the set period for a nominal sum. Due to the strong expectation that s/he will exercise the option to buy, the machine is regarded as the farmer's asset and the hire charge is seen as a loan made at a specified interest rate.

b) **Leasing** is very similar to hire purchase except at the end of the primary period of the lease of 3 to 5 years, the farmer does not legally own the asset. Instead a much reduced nominal leasing charge is introduced, which is paid annually for perhaps 20 years. This nominal charge is however often waived. Unlike hire purchase the farmer cannot sell or hire out the machine and it always remains the property of the Finance Company. (In practice however the farmer can sell the machine and realise its value if s/he becomes the appointed agent of the Finance Company. As the appointed agent s/he sells the machine and gives the money received to the Finance company, who then gives a rebate of the leasing charges to the farmer - normally equivalent to the sale price less expenses.)

c) An **All-In Rental Package** is a type of financial lease where a farmer rents a machine from a dealer, but where the rental charges (at regular intervals for a set period) cover not only the capital cost of the machine and any interest payments, but also any maintenance costs, servicing and breakdown protection.

2. **Treatment in the FBS**

For rental packages, the rental charge (whether it covers access only or access combined with maintenance and repairs) should be entered at Section F line 76. It will not be practical to split down the components of the rental charge into interest, capital, repairs etc. No entry should be made in the machinery inventory (Section F line 7 and Section G line 15) or against liabilities (Section G lines 47 and 48). This is because, while the rental package may be for more than one year, the farmer is free to pull out of the agreement at any time. As a result, the asset cannot be considered a part of the wider farm assets.

Note: **(a) The following instructions, should be used for items of machinery which are new to the farm only. Interest payments and capital repayments outstanding for existing items should continue to be calculated using the 'old method' until they become obsolete.**

(b) A spreadsheet is included in the electronic fieldbook for the purpose of calculating interest payments and capital repayments outstanding for hire purchase and finance leasing contracts lasting anything up to five years. This simply requires the inputting of basic data regarding the particular item of machinery. However, a detailed example has been left in these instructions to illustrate the workings of the spreadsheet.

(c) There are also additional changes to the instructions which need to be taken account of, regarding the recording of arrangements fees, secondary leasing payments etc.

Calculation of interest payments and capital payments outstanding for Hire purchase and Finance leasing

According to **The Consumer Credit (Rebate on Early Settlement) Regulations 1983, SI 1562,** capital on hire purchase and finance leasing contracts is deemed to be repaid and interest charged according to the **Rule of 78.** This rule provides the basis for the method for calculating the interest payments and capital repayments outstanding to be used in the Farm Business Survey.

The following information is required:

(i)	Cost of machine (or amount borrowed if less)
(ii)	Length of hire purchase contract/primary finance leasing period – usually 3 years, but sometimes 2, 4 or 5 years
(iii)	Number of repayments – usually monthly or quarterly in arrears
(iv)	Total repayments
(v)	Month of purchase

Note: it is not necessary to know the interest rate.

The method is best illustrated using an example.

Cost of machine **(C)**:	£10,000
Length of contract:	3 years
Number of repayment **(F)**:	36 i.e. monthly
Total repayments (**R):**	£11,700 (36 x £325 per month)
Month of purchase:	June

Account year end: 31 March

Interest payments

Total interest payments over life of contract **(I)** = **R - C**
= £11,700 - £10,000 = £1,700

Now refer to table 1a, June column, account ending in March rows. This shows the shares **(S)** of the total interest payments due in the accounting years spanning the life of the contract. These are as follows:

1st accounting year:	288/666
2nd accounting year:	258/666
3rd accounting year:	114/666
4th accounting year:	6/666

Interest payments made in each accounting year are calculated as follows:

Interest payments made **(i)** = **I x S**

1st accounting year:	£1,700 x 288/666	=	£735
2nd accounting year:	£1,700 x 258/666	=	£659
3rd accounting year:	£1,700 x 114/666	=	£291
4th accounting year:	£1,700 x 6/666	=	£15
Total			£1,700

Capital repayments outstanding at end of year

Now refer to table 1b, June column, account ending in March rows. This shows the number of repayments **(N)** made up to the end of the accounting year for the accounting years ending in the period of the contract. These are as follows:

1st accounting year:	9
2nd accounting year:	21
3rd accounting year:	33

Capital repayments outstanding at the end of the accounting year are calculated as follows:

Capital payments outstanding at end of accounting year = **C – [(N x R/F) – (i)]**

End of 1st accounting year:
£10,000 – [(9 x £11,700/36) - £7350] = £7,810

End of 2nd accounting year:
£10,000 – [(21 x £11,700/36) – (£735 + £659)] = £4569

End of 3rd accounting year:
£10,000 – [(33 x £11,700/36) – (£735 + £2910)] = £960

The example is for payments made in arrears. Where a **deposit** is paid with a hire purchase contract, eg for 3 months, this will simply reduce the 'cost of the machine'. For finance leasing, where for instance 3 months worth of repayments are paid in advance, the machine should be treated as if it had been leased 3 months earlier than it actually was.

For both hire purchase and finance leasing contracts, **the machine should be included in the machinery inventory** and its value or the value of the right to use it should be entered in F line 7; an entry should also be made in T1 col. 8 or 9. Under hire purchase this value will be the purchase price (deposit plus total capital repayments); under a finance lease it will be the market price. The initial value also needs to be entered under investment in "machinery" (G line 15, col. 5). As with any other assets, these values must be depreciated in subsequent years at an appropriate rate, which takes into account the expected life of the asset.

The **outstanding balance of the capital of the capital part of the charges** should be recorded under current liabilities (Section G lines 47 and 48). **Interest payments** should be entered in Section F line 66 and Section G line 71. **Arrangement fees**, together with any other bank charges should be entered in Section F line 42.

For finance leasing, **secondary leasing payments** should be entered in Section F line 76.

APPENDIX 17 - TYPES OF MACHINERY AND DEPRECIATION RATES.

Group A:	Machinery for Soil Preparation
revaluation code:	2932090000
depreciation rate:	mean = 15%, range = 12% to 18%
Includes:	Ploughs, cultivators, hoes, rolls, disc harrows, seed drills, planters, fertiliser distributors, slurry tankers, manure spreaders, slurry pumps, power harrows.
Group B:	Machinery for Harvesting
revaluation code:	2932090000
depreciation rate:	mean = 20%, range = 17% to 23%
Includes:	All field operated harvesting equipment eg mowers, hay and silage making machinery, combines, potato and sugar beet harvesters, balers, stone separators, straw choppers.
Group C:	Other agricultural machinery
revaluation code:	9023005002
depreciation rate:	mean = 15%, range = 12% to 18%
Includes:	Feed milling and processing units, grain dryers, elevators, trailers, sprayers, irrigation equipment, milking machines, pig equipment, potato graders, riddles, silage cutters, forage feed boxes, grinders, welders, workshop equipment, straw treatment equipment, hedge cutters, livestock cubicles, farrowing pens, potato boxes, sprayers and equipment relating to green technology operations.
Group D:	Tractors
revaluation code:	2931000000
depreciation rate:	mean = 17%, range = 14% to 20%
Includes:	All tractors, including crawlers, tractor cabs, dual wheels, fore and rear end loaders, loading buckets, fork lift trucks, agri-buggies, self propelled sprayers.

Group E: Cars, utilities and commercial vehicles

revaluation code: 9023005001

depreciation rate: mean = 17%, range = 14% to 20%

Includes: Cars, vans, pick-ups, Landrovers, lorries, farm motor bikes and trikes.

Group F: **Green technology, including plant and equipment relating to the production of green energy**

revaluation code: 2932090000

depreciation rate: mean = 15%, range [if appropriate] = 10% to 20%

NOTES:

i. Formula for estimating rates of depreciation:

$$d = 1 - v^{1/n}$$

where:

d = rate of depreciation
v = residual value at sale in proportional terms
n = life of machine

ii. The revaluation indices for agriculture machinery for soil preparation (Group A) and harvesting (Group B) have now been combined. The revaluation rates for Groups A and B are now the same although the range of depreciation rates continue to be separate.

APPENDIX 18 – ENTERPRISE CODES FOR SECTION M (THE COLLECTION OF GROSS AND NET MARGIN DATA)

M Code Number	Enterprise Name	Equivalent C or E Code
3	Winter wheat	C1
4	Spring wheat	C2
5	Mixed wheat	C3
6	Durum wheat	C4
7	Triticale	C5
8	Winter barley	C11
9	Spring barley	C12
10	Mixed barley	C13
11	Winter oats	C21
12	Spring oats	C22
13	Mixed oats	C23
15	Rye	C31
16	Mixed cereals	C41
17	Grain maize	C52
20	Beans harvested dry	C61
21	Peas for combining	C62, C63
22	Other protein crops (e.g. lupins, soya)	C64, C65, C66
26	Set-aside – not cropped	C422
30	Potatoes - first early (i.e. wholly or mainly harvested by 31st. July)	C71
31	Processing potatoes	C72
32	Ware potatoes	C73
33	Seed potatoes	C74
35	Sugar beet	C81
39	Leased out sugar beet quota	C85
40	Winter oilseed rape	C91, C96, C98
41	Spring oilseed rape	C95, C97, C98
42	Linseed	C94
43	Flax	C93
44	Other herbaceous oilseed crops (e.g. poppy seed, sunflower, crambe)	C90, C92
45	Medicinal plants, aromatics and spices (mustard, caraway, canary seed, saffron, borage etc	C103
52	Hops	C101
53	Herbage seed (grass and clover)	C104
54	Other arable crops	C106
55	Short rotation coppice	C107
56	Miscanthus	C99
57	Hemp	C100
60	Fresh vegetables – field scale	C127, C128, C136, C137, C140, C141, C146, C148, C150, C151, C159, C160, C161, C162, C163, C170, C171, C173, C174, C176, C181, C233, C250, C251, C253, C254, C255, C256, C257, C258, C260, C261, C262, C263, C264
61	Fresh vegetables – market garden	C127, C128, C136, C137, C140, C141, C146, C148, C150, C151, C159, C160, C161, C162, C163, C170, C171, C173, C174, C176, C181, C233, C250, C251, C253, C254, C255, C256, C257, C258, C260, C261, C262, C263, C264
62	Fresh vegetables – protected	C128, C170, C171, C179, C180,

		C181, C235 plus any other vegetables grown under protection
64	Strawberries – field scale	C217, C218
65	Strawberries – market garden	C217, C218
66	Strawberries – protected	C217, C218
68	Nursery stock	C112, C224, C225, C265
70	Flowers and ornamental plants – grown outdoors	C111, C113, C115, C116, C120, C121, C122, C123, C124, C125, C129
71	Flowers and ornamental plants – protected	C111, C113, C115, C116, C120, C121, C122, C123, C124, C125, C129
75	Top fruit	C190, C197, C202, C203, C204, C205, C222, C230, C238, C239, C240, C241, C242, C243, C246, C247
76	Soft fruit	C214, C219, C220, C222, C232, C244
77	Mixed top and soft fruit – only to be used where two or more crops are grown on the same land	C222
78	Mushrooms	C126
79	Vineyard selling wine grapes	C223, C245
Livestock enterprises may not correspond entirely with the codes used at Section E. Where a mixture of enterprises exist the enterprise that applies to two-thirds of the throughput of animals should be applied. The codes referred to in Section E are those entered at column 1 lines 7, 23, 38, 45, 49, 53 to 60, 66, 67, 69 and 71.		
80	Dairy cows	Line E7, column 1, codes 1, 2, 3, 4, 5, 6, 7
81	LFA suckler cows where entry in Section E line 74	Line E23, column 1, codes 10, 11, 12, 15, 18, 19, 20, 23, 26 and 114
82	Lowland suckler cows entry in Section E line 12	Line E23, column 1, codes 10, 11, 12, 15, 18, 19, 20, 23, 26 and 115
83	Dairy followers	Line E23, column 1, code 29
84	Store cattle production from purchased or transferred-in dairy bred calves	Line E23, column 1, code 30, 31 and possibly 38 and 44
85	Fat cattle production from purchased or transferred-in dairy bred calves	Line E23, column 1, codes 33, 34, 35 and possibly 38 and 44
86	Fat cattle production from purchased or transferred-in weaned suckler bred calves or stores	Line E23, column 1, codes 41, 43 and possibly 42 and 44
87	Store cattle production from purchased or transferred-in weaned suckler bred calves or stores	Line E23, column 1, codes 40 and possibly 42 and 44
88	Veal production	Line E23, column 1, code 32
89	Other cattle enterprises	Line E23, column 1, code 38
101	Lowland breeding ewes where entry in Section E line 29	Line E38, column 1, codes 100, 101, 102
102	LFA breeding ewes	Typically less productive flocks on mountain / moorland where lambing percentage is usually (but not always) less than 100% Line E38, column 1, codes 103, 104, 105
103	LFA breeding ewes - other	Line E38, column 1, codes 103, 104, 105
104	Buying store lambs selling fat sheep	Line E38, column 1, code 63
105	Other sheep enterprises	Line E38, column 1, code 64
111	Breeding herds selling weaned pigs	Line E49, column 1, codes 65, 68, 71
112	Breeding herds selling fat pigs	Line E49, column 1, codes 66, 69,

		71
113	Buying weaners selling fat pigs	Line E49, column 1, code 72
114	Contract rearing of pigs	Line E49, column 1, codes 2065, 2066, 2068, 2069, 2071, 2072
115	Other pig enterprises	Line E49, column 1, code 73
121	Laying hens	Lines E53 & E54, column 1, codes 75, 76, 77, 78, 79, 87
122	Broilers	Lines E57 & E58, column 1, code 81 and 82
123	Turkeys	Line E59, column 1, code 83
124	Contract rearing poultry	Lines E54 to E60, column 1, codes 2074, 2075, 2076, 2077, 2080, 2081, 2082, 2083, 2084, 2087
125	Other poultry	Line E60, column 1, codes 74, 80 and 84
130	Contract rearing other livestock	Lines E66, E67, E69, E71, column 1, codes of 4 digits
131	Other livestock enterprises	Lines E66, E67, E69, E71 column 1, codes 85, 107 to 113, and lines E84, and E85
132	Agisted livestock	Lines E07, E23, E38, E45, E49, E53 to E60, E66 to E71, column 1 codes 1 to 115

FAS 24 Section M Col. Headings	Enterprise Name	Equivalent FAS 24 Section Code
90	Unallocated by-products and forage output	C420
91	Adjustment for disposal of previous crop	H65
92	Cultivations	H68
99	All enterprises	-
150	All Section I enterprises (including horses owned by third party)	-

APPENDIX 19 TREATMENT IN FBS OF LAND HIRED IN FOR LESS THAN ONE YEAR

The following instructions can be found in the relevant sections of the main body of this document. For ease of reference these have been brought into one location within this appendix.

SECTION A

16. Number of (Whole) Livestock Unit Grazing Days on Land not included in the UAA (line 36). This is required on EC available farms, and indicates the fodder availability from areas not included in the UAA, such as common shared grazings, forage rented for less than 12 months, and where stock are sent away on agistment. The total of such days should be converted into whole cow grazing days using the following coefficients:

Dairy cows, other cattle and horses 2 years and over	1.0
Cattle and horses less than 2 years	0.5
Goats	0.2
Sheep	0.15

SECTION E

13. Average Livestock Numbers (col. 18)

This data is used to calculate the Standard Output attributable to livestock on each farm and the farm's stocking density. ***The SGM values relate to the presence of animals on the holding for a whole year, and so it is the average number over the whole year that is required***. This can be calculated by adding up the population in each month of the year and dividing by 12 (or in each quarter and dividing by 4). For animals whose production cycle is usually less than a year, some of the monthly totals may be zero, as in the example of turkey rearing below:

J	F	M	A	M	J	J	A	S	O	N	D	Total	Average
0	0	0	0	0	0	0	0	0	400	400	400	1200	100

Numbers should be given to one decimal place, except for poultry where whole numbers only should be recorded.

66. Agistment

This is the temporary grazing/rearing of livestock on another farm in return for a payment per head per day (or week or month). It is most commonly done with ewe hoggs by hill farms that have a shortage of winter grazing or unfavourable winter weather. It is similar to contract rearing in that the animals are on another farm being reared by another farmer who does not own them.

Treatment in the FBS:

a) On the Farm Sending the Livestock Away.
The value and numbers of the livestock are to be included in the opening and closing valuations, but ***the average numbers refer only to the actual time spent on the farm***. Any sales or purchases whilst away are recorded as if they were still on the farm. ***The agistment charge is included in "coarse fodder" (F1 line 21 col. 2).***

b) On the Farm Providing the Agistment.

The numbers and value of the agisted livestock are excluded from the opening and closing valuations of the farm, but included in the average numbers (col. 18) in the appropriate line. An enterprise code should be included in col. 1 with 2000 added, as for contract rearing. In the case of ewe hoggs, enterprise code 2064 is put in E line 38 col. 1. If there is another sheep enterprise on the farm then use enterprise code 64 only - do not add 2000. Similarly, if a farm provides agistment for calves under 1 year, enterprise code 2038 is entered in E line 23 col. 1, unless the farm has its own cattle enterprise, in which case 38 is entered in col. 1.

Details of sales and purchases of the agisted livestock are not included on the farm providing the agistment. The payment received for providing the agistment is included in forage revenue and split between the appropriate lines in C3 col. 5.

N.B. Minor short-term agistment may be treated as follows:

a) On the Farm Sending the Livestock Away.

The annual average numbers are not reduced and the pasture equivalent (in hectares) is entered in "forage hired for less than 1 year" (C 413 col. 1) and in col. 2 of the appropriate line, e.g. 403. The costs of agistment will, as usual, appear under "coarse fodder".

b) On the Farm Providing the Agistment.

The annual average numbers are not increased and the pasture equivalent of the hectares used is put in "forage let to others" (C 407 col. 1), and fees received in C 407 col. 5. The area of the appropriate forage type in lines C 400, 402, 403, 404, 415, 416 and 417 col. 1 is reduced by the amount put in C 407 col. 1.

SECTION F

24. Coarse Fodder and Bulk Feeds (line 21)

Covers bulk feeds, such as potatoes and other vegetable residues, wet brewing grains, purchased hay, straw for feeding ***and also includes payments for agistment*** and expenditure on the use of common pastures and grazing land. Do not include any forage produced on the holding (except for internal transfers of straw and other by-products for which a market exists - see Section C3 para. 16), but opening and closing stock will appear in Section C3 cols. 3 and 4.

39. Land Rented in for Less than One Year (line 77)

Sums paid for bare land and forage rented for less than 1 year are to be excluded from the Gross Rent. and entered in line 77

In summary

First decide if it is **Agistment** or **Hiring/Letting** of land.

Agistment = paid for per head per week

Hiring/Letting of land = paid for by the acre/hectare

If Agistment:

a. On the farm buying the agistment

1. Enter cost in F1 Coarse Fodder & Keep
2. Enter adjustment to average numbers in E1/E2
3. Enter Livestock Unit Grazing days in Section A

b. On the farm providing the agistment

1. Enter revenue in C3 Col 30 either as temp grazing of Perm grazing - rows 402/403.

2. Enter adjustment to average numbers in E1/E2

3. Enter 2000 in front of appropriate enterprise code if the same type of enterprise does not exist on the farm. If it does retain the original code.

If Hiring/Letting of land:

a. On the farm hiring the land

1. Enter cost in F2 'Land rented in for Less than One Year'

2. Include average numbers on the farm that owns the stock

3. Enter area in C3 col. 22 line 402 or 403 grazing AND row 413 Forage Hired for Les than 1 Year.

4. Livestock Unit Grazing days in Section A

b. On the farm letting the land

1. Enter the revenue in C3 line 407 col 30

2. Enter the area in C3 line 407 col 21

APPENDIX 20: TREATMENT OF JOINT VENTURE FARMING WITHIN THE FBS

1.1 Defining Joint Venture Farming (JVF)

Types of Agreement

A number of agreement types have been identified from the study[1] and are summarised in Table 1. The descriptions relate to the common features of agreements used for classification, as it is clear from the research that there are detailed variations as JV partners vary agreements to suit their particular needs. For this reason, arrangement adopted on farms can be less formal or rigid than those described. A full classification is set out in section 1.2.

Table 1: Types of Joint Venture Farming

Joint Venture	Brief Description
Contract Farming	An operator (contractor) carries operations out on the land supplier's behalf for a fixed rate (£/ha) with a division of any surplus after costs specified in the agreement. *(Note: this is not the same as use of a contractor for particular farming operations, which is very common but not part of this study)*
Contract Rearing	The operator/contractor (who can be an owner occupier or tenant) rears animals for a livestock owner for a fixed fee per animal for a set time period or to an agreed specification (e.g. weight or heifer in calf).
Share Farming	Farming operations are jointly managed by the land supplier and operator with some inputs and all outputs shared on a percentage basis with land and buildings given a value.
Labour & Machinery Sharing	Two or more persons pool all or part of their labour and machinery and treat the arrangement as a cost centre or separate business which provides a labour and machinery service to each co-operating farming business for a fee.
Machinery Sharing	Two or more persons share in the ownership in all or part of their machinery treating the arrangement as a cost centre or separate business which provides a machinery provision service to each co-operating farming business for a fee.
Labour Sharing	Two or more persons pooling all or part of their labour treating the arrangement as a cost centre or separate business providing a labour provision service to each co-operating farming business for a fee.
Other Agreements	This category accommodates JVF agreements, which do not fit any of the six distinct categories, described above.

Threshold for Recording Joint Venture Farming in the FBS

The threshold for recording JVF in the FBS is that it must be regular, planned and central to the activities on the farm.
Examples of eligible activity include:

- Sharing equity in a sugar beet harvester
- One party owns and operates a forage harvester and the other carts grass

[1] In 2006 Defra commissioned a study into Joint Venture Farming to develop a detailed understanding of the variety and types of JVF agreements and their impact on the agricultural sector and the wider rural economy. One of the aims of the study was to provide a means of identifying the different arrangements for JVF, preparing a practical means of classification that could be used by the Farm Business Survey (FBS) and future research projects. These instructions are based on chapter 6 of the final report which can be read in its entirety at http://statistics.defra.gov.uk/esg/reports/jvf/JVF%20Research%20Project%20-%20Final%20Report.pdf

- Neighbours work together to dip sheep
- Contract rearing of any livestock (either party)

Scale is unimportant. For example, providing one day of labour per year allowing a neighbour to carry out silage harvest should be recorded because it is a regular arrangement and important to the effective running of the business.
Examples of activity that would not be recorded include:

- Providing a machine in the event of a breakdown
- Carrying out 'fire brigade' contracting in a wet season
- Trivial loans of trailers and similar equipment
- Helping a neighbour by supplying labour in an unplanned way

The above examples are irregular and unplanned and thus would not be recorded as JVF activity.

Classification of Joint Venture Farming

The types of joint venture farming identified can be classified with the key in Table 2 below. Where a farming agreement meets the definition of JVF, these questions will allow it to be classified into the seven categories defined and described in this report.
The definition of JVF is "the bringing together of land, capital and skilled management in an agreement between two or more parties, each running their own business, rather than forming a new partnership". The description and examples in 1.2 above set the parameters for inclusion as JVF activity for the FBS.
Please note that the questions relate solely to the JVF Agreement and not to the individual business(s) of the parties.

Table 2: Classification Key

	Questions		**Section A Record**
1.	Do the land supplier and the operator split some or all input costs and the gross output from production in proportions agreed in advance?	Yes (go to 2) No (go to 3)	
2.	The agreement is a Share Farming Agreement		A49, A50
3.	Is there an agreement surplus to divide? (a surplus after paying all costs set out in the agreement)	Yes (go to 11) No (go to 4)	
4.	Are livestock involved?	Yes (go to 5) No (go to 9)	
5.	Is this party the owner of the livestock?	Yes (go to 7) No (go to 6)	
6.	The agreement is contract rearing and this party is the rearer and land supplier		A71
7	Is this party the supplier of the land?	Yes (go to 13). No (go to 8)	
8.	The agreement is for contract rearing and this party is the owner of the livestock.		A71
9.	Does the agreement involve sharing labour and/or machinery or use a labour/machinery company/business?	Yes (go to 10) No (go to 11)	

10.	Labour and/or Machinery Agreement (Please note the land supplier should pay for all Variable Costs, and provide all resources other than labour and/or machinery. Payment for the service may be by a fixed fee per hectare or a fee for each field operation)		A72
11.	Does one party provide the land?	Yes (go to 12) No (go to 1)[2]	
12.	Does one party provide all the labour and machinery	Yes (go to 13) No (go to 14)	
13.	The agreement is a Contract Farming Agreement		A49, A50
14.	Advice or change to classification methodology required		Refer to FBS Technical Group

The agreement type should be confirmed by reading the descriptions supplied in section 1.2 below.

Contract Farming

An operator carries operations out on the land supplier's behalf for a fixed rate for operations and with a division of any surplus after costs specified in the agreement.

Table 3: Contract Farming Classification

	Land Supplier (can be owner occupier or tenant)	Contractor (Operator)
Resources		
Land	X	
Buildings	X	Less typical
Fixed Equipment	X	Less typical
Quotas	X	
Livestock	X	
Labour		X
Machinery		X
Management	X	X
Banking	X	
Outputs		
Crop Sales	X	
Livestock Sales	X	
Single Payment	X	
Contracting		
Variable Costs		
Arable costs	X	
Livestock costs	X	
Overheads		
Grain drying	X	Less typical
Labour		

[2] The questions from the classification key should be repeated to the farmer once then excluded from the survey.

Machinery		X
General Overheads	X	
Share of agreement surplus		
Share	X	X

FBS Treatment

Within Contract Farming Agreements, the day to day decision maker is eligible for participation in the FBS. Eligibility for participation and treatment in the FBS are determined as follows:

a) The day to day decision maker for the farm should be identified in practice.

b) If the day to day decision maker is the operator (contractor) then the FBS instructions for treatment of contract farming in Section A and Section C should be followed, and a rental equivalent entered in Section F2 at F74.

c) If the day to day decision maker is the land supplier and the operator (contractor) is carrying out a service then it is valid to include them in the FBS as a farmer. Normal treatment of a farm within the FBS then applies. The area of land within Contract Farming Agreements is shown in Section A, cells A49 and A50.

Contract Rearing

A contractor (owner occupier or tenant) rears livestock for the owner of the animals. Management of the animals remains the responsibility of the contractor from delivery until collection, although the livestock owner may provide some variable inputs and labour when required. Payment is normally a fixed fee per animal over the period they are with the contractor. Agreements of this type are common and treated within the FBS as contract rearing or agistment.

Table 4: Contract Rearing Classification

	Contract Rearer	Livestock Owner
Resources		
Land	X	
Buildings	X	
Fixed Equipment	X	
Quotas	X	
Livestock		X
Labour	X	Less typical
Machinery	X	
Management	X	
Banking	X	
Outputs		
Crop Sales		
Livestock Sales		X
Single Payment	X	
Contracting		
Variable Costs		
Arable costs		
Livestock costs	X	X
Overheads		
Grain drying		
Labour	X	
Machinery	X	

General Overheads	X	
Share of agreement surplus		
Share		

FBS Treatment

Coding of livestock enterprises in A71 identifies enterprises with:

1 No livestock
2 All livestock owned by the farmer
4 Some animals are sent away from the farm and reared elsewhere
8 Some or all animals are owned by others but reared on the farm

Share Farming

Farming operations are jointly managed with some inputs and all outputs split on a percentage basis with land and buildings given a value in drawing up the agreement.

Table 5: Share Farming Classification

	Land Supplier	Operator
Resources		
Land	X	
Buildings	X	
Fixed Equipment	X	
Quotas	X	
Livestock	X	X
Labour		X
Machinery		X
Management	X	X
Banking		
Outputs		
Crop Sales	X	X
Livestock Sales	X	X
Single Payment	X	X
Contracting		
Variable Costs		
Arable costs	X	X
Livestock costs	X	X
Overheads		
Grain drying	X	X
Labour		X
Machinery		X
General Overheads	X	X
Share of agreement surplus		
Share		

FBS Treatment

It is necessary to establish whether the activity is share farming.

a) The day to day decision maker for the farm should be identified (in practice).

b) If the day to day decision maker is the operator then the current FBS treatment of contract farming should be followed for the share farming agreement i.e. the operator should be considered the farmer and the land farmed included in his/her UAA. The net payment from the operator to the land supplier should be recorded as a rental equivalent at Section F2, row74. All crop output should be recorded in Section C and all seed, fertiliser, pesticide and other crop variable costs should be recorded in Section F. The land supplier should be excluded from the survey.

c) If the day to day decision making is by both the landowner and operator, then a share farming operation is in place and the area of land is recorded in Section A, A51 and A52 and the record is completed as described in the instructions for Section Section C.

Machinery and Labour Agreements

Labour and Machinery sharing can be described as two or more persons pooling all or part of their labour and machinery. The arrangement may be treated as a cost centre or as a separate business contracting out the operations to each co-operating farm business. The ownership of the labour and machinery may be within another business or part of one of the farm businesses.

Table 6: Machinery and Labour Agreement Classification

	Land Supplier (Farmer, can be owner occupier or tenant)	Labour and Machinery Unit (Contractor)
Resources		
Land	X	
Buildings	X	
Fixed Equipment	X	
Quotas	X	
Livestock	X	
Labour		X
Machinery		X
Management	X	X
Banking	X	X
Outputs		
Crop Sales	X	
Livestock Sales	X	
Single Payment	X	
Contracting		X
Variable Costs		
Arable costs	X	
Livestock costs	X	
Overheads		
Grain drying	X	
Labour		X
Machinery		X
General Overheads	X	X
Share of agreement surplus		
Share		

FBS Treatment

The presence of a labour and machinery sharing arrangement, regardless of type or scale, should be recorded in Section A at A72 using the following classification:
1 No labour or machinery sharing
2 Labour and Machinery sharing
4 Machinery sharing

8 Labour sharing
16 Any kind of separate entity labour or machinery sharing
FBS Treatment of Separate entity Labour and Machinery Sharing Ventures
When a separate entity, labour and machinery ventures may be profit or non profit making. However the charges made to each member of the agreement will include capital and running costs. The treatment below does not require the accounts for the labour and machinery agreement to be provided, which may create recruitment problems.
The recommended methodology is:

g) The charges made by the labour and machinery agreement and paid by the farmer should be included in section F under contract work for the farm. Please note these may need a manual adjustment (see (e) below).

h) If the farmer works within the labour and machinery agreement the time spent should be split between manual and managerial (e.g. directors meetings). The time spent working on his own farm should be recorded in section B.

i) If the farmer receives a wage or reduction in charges by working in the labour and machinery venture these costs should be taken account in the farm return as set out in (d) and (e) below.

j) If the farmer receives a wage, the proportion of the wage earned because of time worked on his own farm should be split from that earned working on other farms. The wage from his own farm should be included in section B. The remaining wage should be entered in section I.

k) If the farmer receives a deduction in the charges (recorded in section F) because of work done for the labour and machinery arrangement the following methodology should be used.

   i. The reduction in charges owed because of work carried out on own farm should be included in section B.

   ii. The reduction in charges owed because of work carried out on other farms should be added back to the contract charge in section F and entered into section I as income.

l) The investment made by the farmer in the labour and machinery agreement should be recorded in section G.

m) Any net profit arising from the labour and machinery venture should be recorded as hirework in Section I, or any net cost should be recorded as contract in Section F1.

Machinery Sharing

Machinery sharing can be described as two or more persons pooling either use or ownership in all or part of their machinery. The sharing agreement may be treated as a separate entity or as part of the co-operating farm businesses. The machinery sharing is normally treated as a cost centre contracting out the machine or allocating repair and other associated costs to each business.

Table 7: Machinery Sharing Classification

	Land Supplier (Farmer – can be owner occupier or tenant)	**Machinery Unit**
Resources		
Land	X	
Buildings	X	
Fixed Equipment	X	
Quotas	X	
Livestock	X	
Labour	X	

Machinery	X	X
Management	X	
Banking	X	
Outputs		
Crop Sales	X	
Livestock Sales	X	
Single Payment	X	
Contracting	X	X
Variable Costs		
Arable costs	X	
Livestock costs	X	
Overheads		
Grain drying	X	
Labour	X	
Machinery	X	X
General Overheads	X	
Share of agreement surplus		
Share		

FBS Treatment

Where farms share machinery this should be recorded as an activity in section A at A72 to enable identification using the following scale:
1 No labour or machinery sharing
2 Labour and Machinery sharing
4 Machinery sharing
8 Labour sharing
16 Any kind of separate entity labour or machinery sharing

The treatment of machinery sharing will depend on the agreement type the parties have;
Individual Ownership (Where farms have individual ownership of all or some machines but share their use)

a) The FBS mutual assistance methodology in Section B (part 4 of the instructions) should be followed.

Shared Ownership (or owned by a separate business entity)

a) The proportion of ownership should be recorded in section G, including any ownership costs.

b) Costs for the machine should be recorded within the field book as they are charged back to each member of the machinery sharing agreement in section F.

Labour Sharing

Labour sharing can be described as two or more persons pooling all or part of their labour. The agreement may be treated as a separate entity or as part of their current businesses. The labour sharing is treated as a cost centre contracting out labour to each business.

Table 8: Labour Sharing Classification

	Land Supplier (Farmer – can be owner occupier or tenant)	Labour Provider
Resources		
Land	X	
Buildings	X	
Fixed Equipment	X	

Quotas	X	
Livestock	X	
Labour	X	X
Machinery	X	
Management	X	X
Banking	X	
Outputs		
Crop Sales	X	
Livestock Sales	X	
Single Payment	X	
Contracting	X	X
Variable Costs		
Arable costs	X	
Livestock costs	X	
Overheads		
Grain drying	X	
Labour	X	X
Machinery	X	
General Overheads	X	
Share of agreement surplus		
Share		

FBS Treatment

Where there is a formal or informal agreement in place to share labour each business should record the cost and time worked within section B under the normal FBS treatment. The activity should be recorded within section A at A72 to enable farm identification using the following scale:
1 No labour or machinery sharing
2 Labour and Machinery sharing
4 Machinery sharing
8 Labour sharing
16 Any kind of separate entity labour or machinery sharing

Where farms are swapping labour for machinery the FBS treatment of mutual assistance between holding should be followed.

Other Agreements

The previous six categories will describe most or all JVF situations. Caution should be taken to identify agreements in name only to enable payment of a 'rental equivalent' or ensure the land supplier is still able to claim the single payment or maintain control of the land.

FBS Treatment

Refer to the FBS Technical Group.

APPENDIX 21 — FAS24 DATA TRANSMISSION

FAS24 Data Format

1.1 All data sent by e-mail should be in comma separated value (.csv) format which should be automatically generated from the e-mail module used by Centres.

2. FAS24 Data Structure

2.1 All FAS data should prefaced with a Section AA record which details those sections (Core or modular) to be imported. Section AA records are automatically generated from the Integrated System used by Centres.

2.2 The data layout is designed to reflect the structure of the Microsoft Access FBS database held by FBS Unit and consists of 8 columns of data as described below:

Column 1 – Farm Id Number

This column should only contain the farm identification number.

Column 2 – Section

This column should contain the relevant section code as it appears on the FAS 24. Please note:

- As Section A contains the indicative data, it should appear as the first entry after Section AA for each farm record submitted ; and,
- If a section is subdivided (e.g.) C1, C2 and C3, only the section letter should be entered in this column.

Column 3 – Row

This column should contain the row number as it appears on the FAS 24.

Column 4 – Column

This column should contain the column number as it appears on the FAS 24.

Column 5 – Type Code

This column should contain the type code as it appears on the FAS 24. For sections that do not require a type code this column should be zero filled or left blank.

Column 6 – MDC

This column should contain the missing data code as it appears on the FAS 24. For sections that do not require a missing data code this column should be left blank.

Column 7 – Load

FBS Unit uses this column to determine the load number onto the live FBS database. For transmission purposes this column should be left blank for all sections.

Column 8 – Field Value

This column should contain the field value as referenced by columns 1 to 6. Decimal points and negative values should be used as appropriate.

(e.g.) A row of csv format data such as; 1372,B,1,2,0,,,1952, would be read into the FBS database as shown in the following table.

Farm Number *(Col 1)*	**Section** *(Col 2)*	**Row** *(Col 3)*	**Column** *(Col 4)*	**Crop Type** *(Col 5)*	**MDC** *(Col 6)*	**Load Number** *(Col 7)*	**Field Value** *(Col 8)*
Unique farm identifier	*Section of FAS*	*Row of FAS 24*	*Column of FAS*	*Relevant for*		*Number of load*	*Value entered*

	24		*24*	*Sections C1-C3*		*onto database*	*in FAS 24*
(e.g.) 1372	B	1	2	0	0		1952

3. Section Y Records

3.1 Section Y records should be submitted in the same format as the other FAS24 Sections (see paragraphs 2.2). They can be submitted as part of an account or submitted separately.

4. Modules

4.1 Module data should be submitted in the same format as the core FAS 24 record (see paragraph 2.2). Data for modules can be submitted prior to the core record but Centres should note that a farm will not be deemed fully clean for quota purposes until a core record has been submitted and validated. Section AA should be used to indicate which modules should be imported.

5. Acceptance Codes

5.1 Acceptance codes for type 2 and type 3 checks can be submitted as part of a farm record or as separate entries as long as they are in the following format:

- Farm Number is entered in column 1;
- “X” is entered in column 2;
- Validation check number to be accepted in column 3;
- Columns 4 to 7 should be left blank; and,
- If check is a type 2 then a brief reason for accepting the check should be entered in column 8.

(e.g.) accepting type 2 check ZZ999 for farm 1372 in csv format should look like ‘1372,X,ZZ999,,,,,Dummy check’ and would be read onto the FBS database as:

Farm Number *(Col 1)*	**Section** *(Col 2)*	**Row** *(Col 3)*	**Column** *(Col 4)*	**Crop Type** *(Col 5)*	**MDC** *(Col 6)*	**Load Number** *(Col 7)*	**Field Value** *(Col 8)*
(e.g.) 1372	X	ZZ999	0	0	0		Dummy Check

5.2 Centres should be aware that clearing a validation check on first submission ensures that this check is not carried out on the related data. If incorrect, or the data is changed, the data will never be checked again. There have been cases where checks have been cleared on submission and where the data would not have failed the validation check, care should be taken to ensure that clearance action is justified.

APPENDIX 22 – EXAMPLES OF MANAGEMENT ACTIVITY (INCLUDING TASKS TYPICALLY CARRIED OUT BY SENIOR MEMBERS OF FARM STAFF)

Further examples of management activity, for use in Section B of the FAS24 might include:

- planning enterprise budgets
- explaining farm or enterprise performance relative to budget
- negotiating sales of the farm's products
- negotiating purchases of inputs
- sourcing semen, bulls, rams, shearlings, gilts
- commissioning the maintenance and repair of farm buildings
- appraisal, mentoring and arranging training for staff
- understanding the implications of the weather, and making contingency plans
- negotiating borrowing or planning investments
- managing safety
- monitoring animal health and welfare
- developing environmental or agri-environment activity, preparing scheme applications

Further examples of administrative activity that are not classed as management include:

- completing Single Payment returns
- day to day contact with professional advisors
- completing agri environment scheme applications

APPENDIX 23: CENTRE FOR ECOLOGY AND HYDROLOGY (CEH) CODES

1. Undulating country, varied agriculture, mainly grassland
2. Open, gentle slopes, often lowland, varied agriculture
3. Flat arable land, mainly cereals, little native vegetation
4. Flat, intensive agriculture, otherwise mainly built-up
5. Lowland, somewhat enclosed land, varied agriculture and vegetation
6. Gently rolling enclosed country, mainly fertile pastures
7. Coastal with variable morphology and vegetation
8. Coastal, often estuarine, mainly pasture, otherwise built-up
9. Fairly flat, open intensive agriculture, often built-up
10. Flat plains with intensive farming, often arable/grass mixtures
11. Rich alluvial plains, mainly open with arable or pasture
12. Very fertile coastal plains with very productive crop
13. Somewhat variable land forms, mainly flat heterogeneous land use
14. Level coastal plains with arable, otherwise often urbanised
15. Valley bottoms with mixed agriculture, predominantly pastural
16. Undulating lowlands, variable agriculture and native vegetation
17. Rounded intermediate slopes, mainly improvable permanent pasture
18. Rounded hills, some steep slopes, varied moorlands
19. Smooth hills, mainly heather moors, often afforested
20. Mid-valley slopes, wide range of vegetation types
21. Upper valley slopes, mainly covered with bogs
22. Margins of high mountains, moorlands, often afforested
23. High mountain summits, with well-drained moorlands
24. Upper, steep, mountain slopes, usually bog-covered
25. Lowlands with variable land use, mainly arable
26. Fertile lowlands with intensive agriculture
27. Fertile lowland margins with mixed agriculture
28. Varied lowland margins with heterogeneous land use
29. Sheltered coasts with varied land use, often crofting
30. Open coasts with low hills dominated by bogs
31. Bleak undulating surfaces mainly covered with bogs
32. Cold exposed coasts with variable land use and crofting

Appendix 24: Recording of Equine Activities within the FAS24

Apart from keeping horses for breeding, equine activities such as livery and riding schools are not regarded as agricultural according to the Standard Industrial Classification and as such are recorded as semi-integrated activities in Section I. Their presence needs to be recorded for Standard Ouput purposes and an average number is required in Section E. If they have access to grazing or are provided with fodder grown on the farm, then the effective average number of horses in this category must be recorded in the livestock and forage calculations page.

For the purposes of the FBS, the only type of equine activity to be recorded under livery, and also carrying average numbers in Section E, is that where horses owned by a third party are provided with grazing and or stabling as a service provided by the farmer. This will include full, part and DIY livery activity. It does not include riding schools and competition yards which should be recorded under code 410. It also does not include livery businesses run by a third party that simply rent the land and buildings from the farmer for the purposes of running a livery.

SECTION I

Livery: Gross income received entered in Row 411. This includes the following:-

- Money received for provision of stabling
- Money received for grazing
- Money received for forage sales to clients
- Money received for consumable goods re-sold to clients e.g. bedding, feed
- Money received for services re-charged to clients e.g. vet, farrier

Note: All income relating to horses should be entered in Section I, including those cases where it is just grazing & fodder income, rather than Section C3.

SECTION F1

Expenditure is entered in the appropriate rows, column 9, in Section F and then entered in the Section I working table to show how much relates to either the livery activity (code 411) or other equine activity (code 410). For example if wood shavings are purchased for bedding, these costs will initially be shown as other livestock costs in column 2 of Section F1. Those costs relating to equine/livery activities, are first identified and entered in column 9 of Section F1. This total figure (which may include costs for other Section I activities) is than shown in the Section I (RO input) sheet and are then recorded against the appropriate enterprise (row 410 or 411) for the shavings identified above.

SECTION E2

The number of horses on the farm is entered in one of three lines in Section E2 as follows:-

- Horses for breeding (farmer owned) — Line 84 – entry in all columns as required, numbers and values.
- Other Horses (farmer owned) — Line 85 – entry in column 18 only
- Horses owned by third party — Line 86 – entry in column 18 only

LIVESTOCK AND FORAGE PAGE

The number of horses effectively consuming forage on the farm needs to be recorded independently of the average numbers in E2; some of these horses may not have access to grazing and forage provided by the farm.

Enter the effective number of horses with access to forage and grazing in cell N30 on the livestock and forage page. Complete the allocation of forage costs in the C2 working table. The share due to the horses is then automatically transferred to the livery line in Section I but a manual adjustment can be made to apportion them to code 410 where appropriate. .

Appendix 25: Allocation of Fixed Costs to Section I activities

1) Machinery Costs

The apportionment of machinery general farming costs to other Section I activities is set out below.

Total of the following Machinery Costs for the Farm Business (Contract, Machinery Rental, Machinery equipment valuation etc, repairs and small tools, vehicle fuels and oils, car mileage expenses) (**Z_m**). Take the cost already allocated to the Section I activity (**Y_m**). Z_m-Y_m = **V_m** = Total machinery cost net of direct costs allocated in Section I (e.g "Machinery Rental to Agriculture and overheads for Section I". Assume that the overhead element of this is 11.3% (based upon report by Abigail Tiffin). Calculate the overhead machinery cost (e.g. Machinery Rental) to the business, after direct allocation to Section I, as 0.113 * V_m = **X_m**.

Obtain total output for Agriculture (OutputAg), Entry Level Scheme (OutputELS), Other agri-environmental schemes (OutputOAE), SPS (OutputSPS), Rental Income (OutputRental), Other section I Output (excluding those listed above) (OutputOtherSection I) and calculate the following

OutputAg = **G**

OutputELS * 0.1 = **H**

OutputOAE * 0.25 = **I**

OutputSPS * 0.1 = **K**

OutputRental * 0.1 = **L**

OutputOtherSection I = **M**

G + H+I+ K + L + M = **J**

Overhead machinery cost (**X_m**) is then allocated to each activity by

Overhead machinery cost to Agriculture = $X_m * \frac{G}{J}$

Overhead machinery cost to ELS = $X_m * \frac{H}{J}$

Overhead machinery cost to OAE = $X_m * \frac{I}{J}$

Overhead machinery cost to SPS = $X_m * \frac{K}{J}$

Overhead machinery cost to Rental = $X_m * \frac{L}{J}$

Overhead machinery cost to Other Section I activities = $X * \frac{M}{J}$

2) General Farming Costs

The apportionment of overhead general farming costs to other Section I activities will be as set as below.

Total of each general farming costs (GFC) for the Farm Business (e.g. Electricity) (**Z_g**). Take the Electricity already allocated to the Section I activity (**Y_g**). Zg-Yg = **Xg** = Agriculture and Overhead GFC (e.g "Electricity to Agriculture and overheads for Section I").

Obtain total output for Agriculture (OutputAg), Entry Level Scheme (OutputELS), Other agri-environmental schemes (OutputOAE), SPS (OutputSPS), Rental Income (OutputRental), Other section I Output (excluding those listed above) (OutputOtherSection I) and calculate the following

OutputAg = **G**

OutputELS * 0.1 = **H**

OutputOAE * 0.25 = **I**

OutputSPS * 0.1 = **K**

OutputRental * 0.1 = **L**

OutputOtherSection I = **M**

G + H + I + K + L + M = **J**

Agriculture and Overhead GFC (**X_g**) is then allocated to each activity by

Agriculture and Overhead GFC to Agriculture = $X_g * \frac{G}{J}$

Agriculture and Overhead GFC to ELS = $X_g * \frac{H}{J}$

Agriculture and Overhead GFC to OAE = $X_g * \frac{I}{J}$

Agriculture and Overhead GFC to SPS = $X_g * \frac{K}{J}$

Agriculture and Overhead GFC to Rental = $X_g * \frac{L}{J}$

Agriculture and Overhead GFC to Other Section I activities = $X_g * \frac{M}{J}$

3) Land and Property Costs

The proposed apportionment of rent / land and property costs for Agriculture, AE and SPS is set out below:

i) Total rent / land and property costs for the Farm Business (**A**)

ii) Total rent / land and property costs from diversified "market" activities plus any directly allocated costs to AE (**B**)

iii) Net rent / land property costs for Agriculture, AE and SPS to be apportioned given by A-B = (**C**)

iv) Sum GM for Agriculture, AE and SPS (**D**)

v) Calculate percentage of **D** attributed to Agriculture (**Ag%**), AE (**AE%**), and SPS (**SPS%**)

vi) Net rent / land and property cost apportioned to each activity is then given by

Rent / land and property cost to Agriculture = **Ag%** * **C**

Rent / land and property cost to AE = **AE%** * **C**

Rent / land and property cost to SPS = **SPS%** * **C**

Where the GM for Agriculture is negative, a zero cut off would be imposed to reflect a similar situation to whereby no agriculture activity took place (and hence no positive agricultural GM was generated). Where property costs have been directly allocated to AE, the total rent / land and property costs for AE will be the sum of the costs directly allocated, plus the apportionment (**AE%** * **C**) above**.**

4) Occupiers Expenses

Occupiers expenses (buildings works & net depreciation, insurance of farm buildings, landlord type repairs) will be applied and apportioned using the same methodology as land and property costs (tenants repairs & rates) noted above in paragraph 3.

Appendix 27: Cattle Growth Rates for use with Section L

Typical Growth Rates (in various age phases) and Live Weight at end of age phase for Cattle in Main Production Systems

(Data tables produced by ADAS)

Draft instructions:
The tables below can be used to estimate the live weight of cattle if this is unknown to the farmer. To use the tables, choose the appropriate breed and nearest age category and then estimate the live weight by adding or subtracting the number of days X the daily live weight gain. (Assume 1 month = 30 days).

Examples:

Suckler herd replacement, continental cross, calving at 36 months.
Age: 11.5 months
Liveweight at 12 months = 270kg
Liveweight at 11.5 months = 270 – (15 days X 0.6kg) = 261 kg

Beef X males for finishing intensively at 13-14 months
Age: 7.5 months
Liveweight at 6 months = 220kg
Liveweight at 7.5 months = 220 + (45 days X 1.3kg) = 278.5 kg

1. Dairy Replacement Females

	Calving at 24 months Growth rate - kg/day (Live weight – kg)			Calving at 30 months Growth rate - kg/day (Live weight - kg)	
Period of Growth	Holstein	Friesian	Jersey	Holstein	Friesian
To 3 months	0.7 (100)	0.7 (95)	0.6 (75)	0.7 (100)	0.7 (95)
3- 6 months	0.9 (180)	0.75 (162)	0.6 (130)	0.9 (180)	0.70 (160)
6-12 months	0.90 (340)	0.70 (285)	0.5 (220)	0.80 (325)	0.60 (270)
12-18 months	0.85 (490)	0.65 (405)	0.5 (305)	0.65 440	0.60 380
18 -24 months	0.80 634 (pre-calving) 568 (post calving)	0.70 535 (pre caving) 485 (post calving)	0.5 395(pre calving) 350 (post calving)	0.70 (565)	0.55 (480)
24-30 months				0.6 675 (pre calving) 620 (post calving)	0.5 570 520(post calving)
Mature Animal Weight	690 kg	590 kg	412 kg	690 kg	590 kg

2. Suckler Herd Replacement Females

	Calving at 30 months Growth rate -kg/day (Live weight- kg)		Calving at 36 months Growth rate - kg/day (Live weight - kg)	
Age	Continental x dairy	Traditional breed x dairy	Continental x dairy	Traditional breed x dairy
To (at) 3 months	0.7 (108)	0.7 (105)	0.7 (108)	0.7 (108)
3-6 months	0.8 (180)	0.7 (167)	0.6 (162)	0.6 (162)
6-12 months	0.7 (306)	0.7 (290)	0.60 (270)	0.6 (270)
12-18 months	0.6 (415)	0.6 (400)	0.6 (378)	0.5 (360)
18-24 months	0.6 (520)	0.5 (500)	0.5 (468)	0.5 (450)
24-30 months	0.60 630 (pre-calving) 580 (post calving)	0.5 590 (pre-calving) 550 (post calving)	0.6 (576)	0.4 (522)
30-36 months			0.5 665 (pre calving) 615 (post calving)	0.5 (610) (560 – post calving)
Mature Weight (kg)	660 kg	560 kg	660 kg	560 kg

3. Purebred dairy males and beef x dairy (males and females) finishing intensively at 13 -14 months

Age	**Pure bred dairy males** Growth rate - kg/day (Live weight - kg)	**Beef x males** Growth rate - kg/day (Live weight kg)	**Beef x females** Growth rate (kg/day) (Live weight kg)
To 3 (at) months	0.70 (110)	0.77 (120)	0.70 (110)
3 - 6 months	1.30 (230)	1.40 (246)	1.25 (220)
6-13/14 months	1.20 to 1.40 (520)	1.30 to 1.50 (560)	1.20 to 1.40 (510)

4. Beef x dairy beef systems

Age	18 month beef Growth rate - kg/day (Live weight - kg)		24 month beef Growth rate - kg/day (Live weight – kg)		30 month beef Growth rate - kg/day (Live weight –kg)
	Males	**Females**	**Males**	**Females**	**Males**
To (at) 3 months	0.8 (117)	0.75 (112)	0.8 (117)	0.75 (112)	0.8 (117)
3- 6 months	0.9 (198)	0.85 (188)	0.8 (189)	0.75 (180)	0.70 (180)
6- 12 months	1.1 (396)	0.95 (360)	0.8 (333)	0.75 (315)	0.70 (306)
12-18 months	1.10 (595)	0.95 (530)	0.75 (468)	0.7 (441)	0.65 (423)
18-24 months			0.9 (630)	0.85 (595)	0.7 (549)
24-30 months					0.7 (675)

[1]For cattle sired by the larger Continental breeds e.g. Charolais, Simmental adjust by –adding

- ***0.1 kg / day to growth rates from 6 months old for 18 month beef and 24 month beef***
- ***0.05 kg / day from 6 months old for 30 month beef.***

[2]For cattle that are largely suckler bred use figures in table

Appendix 28: Sheep and pig growth rates

LIVE WEIGHT GAINS IN PIGS

Growth Rate			
Age of the Pig		**Daily Liveweight Gain**	**Weight**
Weeks	**Days**	**(g/day)**	**(kg)**
4	28	215	7.00
6	42	395	12.5
8	56	630	21.3
10	70	660	30.5
12	84	715	40.5
14	98	800	51.5
16	112	965	65.0
18	126	1000	80.0
20	140	1100	95.0
22	154	1100	110.0

Growth Rate

Also
Rearing pigs 7 – 35kg Average daily liveweight gain (g/day) 489
Finishing pigs 35 – 110kg Average daily liveweight gain (g/day) 784
Combined rearing and finishing Average daily liveweight gain (g/day) 646
GB Key Perfomance Indicators - Combinedrearing and finishing - Super Six

LIVEWEIGHT GAINS IN SHEEP
Daily liveweight gains in lambs are affected by many factors:
Breed
Single, twin or triplet
Finishing system used
For example:
For the lowland ewe the average of 1.6kg milk produced/day will support daily gains of 300g in the single lamb, twins however will receive enough milk for 230-250g/day for the first month and by the third month the relevant figures are 220g/day for singles and 130g/day for twins.
To finish early lambs at 12 – 14 weeks at approximately 34kg liveweight a gain of 350 – 400g/day is expected with the feeding of concentrates.
Slower grass finishing lambs have lower rates of gain at 70 – 100g/day post weaning.
(Information taken from Primrose McConnells - *The Agricultural Notebook)*
Below are some further examples, but it should be noted that these are just for guidance and the farmer should be consulted to gain knowledge of the type of rearing system being used and age at which lambs are sold.

Lamb Performance Standards at Pasture

	Grass	Grass + Clover
Finishing period *(weeks)*	**17**	**13**
Dry matter intake *(% liveweight)*	1.8	2.2
Amount of concentrates *(kg)*	50-60	35-40
Cost of concentrates *(£)*+	6.60	4.20
Liveweight gain *(g/day)*	**150**	**>200**
Fat class	2-3	2-3
Killing out percentage *(%)*	51	48
Minimum liveweight *(kg)*	**36**	**36**
Minimum carcase weight *(kg)*	18	18

http://www.eblex.org.uk/documents/content/returns/brp_l_sheepactionforprofit11-betterreturnsfromcloverrichlambpastures.pdf

Effect of pasture type on lamb weaning weight (kg) and growth rate (ADG*; g/day)

	Old pasture	New pasture	Cattle pasture
Weaning weight(kg)	**30.6**	**30.8**	**33.8**
ADG 0 to 5 weeks	294	284	300
ADG 5 to 10 weeks	266	265	315
ADG 10 to 14 weeks	232	252	270
Weaning weight(kg)	**33.1**	**32.0**	**33.4**
ADG 0 to 5 weeks	300	300	307
ADG 5 to 10 weeks	316	306	327
ADG 10 to 14 weeks	260	240	251

*ADG refers to Average Daily Gain
http://www.teagasc.ie/research/reports/sheep/3327/eopr3327.pdf

Table 4: Mean daily liveweight (kg) gain of crossbred lambs

	Cheviot	Dorset	Lleyn	Texel
Birth – 5 weeks	0.265	0.278	0.258	0.280
Birth – 10 weeks	0.246	0.260	0.238	0.261
Birth – 16 weeks	0.204	0.215	0.201	0.216
5 – 10 weeks	0.227	0.240	0.218	0.240
5 – 16 weeks	0.170	0.179	0.169	0.178
10 –16 weeks	0.132	0.137	0.136	0.136

http://www.hccmpw.org.uk/medialibrary/publications/CrossbredLambProductioninthehills.pdf

Appendix 29: Deadweight conversions

MLC ready reckoner for pigs:

Dead to Live Weight (Kg)					
Dead Weight	**Live Weight**	**Dead Weight**	**Live Weight**	**Dead Weight**	**Live Weight**
32	45.5	55	75	78	105
33	46.5	56	76.5	79	106
34	48	57	78	80	107.5
35	49	58	79.5	81	109
36	50.5	59	80.5	82	110
37	52	60	82.5	83	111
38	53.5	61	84	84	112
39	55	62	85	85	113
40	56.5	63	86	86	114
41	58	64	87	87	115
42	59.5	65	88	88	115.5
43	60.5	66	89	89	116.5
44	61.5	67	90.5	90	117.5
45	63	68	92	91	118.5
46	64.5	69	93	92	119
47	66	70	94.5	93	120
48	67.5	71	96	94	120.5
49	69	72	97.5	95	121.5
50	70	73	99	96	122.5
51	71	74	100	97	123
52	72	75	101.5	98	124
53	73.5	76	103	99	124.5
54	74.5	77	104	100	125

based on a 71% killing out % increasing to 80%

According to BPEX however the normal killing out % ranges from 72-80%. Killing out % can be affected by different factors:

Pietrain crosses, Belgian landrace crosses and Duroc have greater KO% than large whites

Pietrain crosses	+1.8%
Belgian landrace crosses	+1.9%
Duroc	+2.1%
Pietrain purebred	+3.8%
Belgian landrace purebred	+4.1%

The heavier the pig the better the KO%. Older heavier pigs will have a better and higher KO%. Generally a 1% increase in KO% per 10kg liveweight

Calculator

Deadweight (kg)	
Killing out %	
Liveweight (kg)	#DIV/0!

<u>Average Cattle</u>

Liveweight (kg)	300	450	545
Av. Killing out %	55	57	59
Deadweight (kg)	165	257	322

or

Cattle type	Belgian Blue steer	Angus steer
Killing out %	58	52

Calculator

Deadweight	
Killing out %	
Liveweight	#DIV/0!

Estimated UK average killing out % is 56%

<u>Average Sheep</u>

	Suffolk x lamb	Hill lamb
Killing out %	45	42

Calculator

Estimated UK average killing out % is 44% (range from 42-47%)

Deadweight	
Killing out %	
Liveweight	#DIV/0!

Appendix 31: Rural development programme training providers lists

When referring to the list of providers below an ‘x’ indicates it is known these providers do provide advice/knowledge under the two distinct categories of Technical Advice (including Animal Health and Welfare) and Business Management. Where an ‘x’ is not present it only means they have not been confirmed as providers under the categories mentioned. If the farmer or RO is confident that training has been undertaken that has been partially or wholly funded by the Rural Development Programme, **then it should still be recorded.** In such cases it doesn’t matter if either the trainer is not indicated as providing training in that area (no ‘x’ in appropriate column) or is not on the provided list.

Yorkshire and Humber Training Providers

Yorkshire and Humber Training Providers	Technical Advice/Knowledge Transfer (including Animal Health and Welfare)	Business Management Advice/Knowledge Transfer
ADAS Holdings Ltd	x	
Agric-Advice		
Bishopton Veterinary Group	x	
BPEX		x
British Wool Marketing Board, The	x	
Brown & Co		x
Churches Regional Commission	x	x (low level uplands)
Churches Regional Commission North Yorkshire Project	x	x (low level uplands)
Churches Regional Commission South Pennines Project	x	x (low level uplands)
Doug Stewart Consultants		x
Dovecote Park		x
EBLEX	x	x
English Food and Farming Partnership (EFFP)	x	
Ibbotsons	x	
Lantra		
Linda Bower	x (BASIS)	
Lower Dales Training	x	
McCain Foods (GB) Ltd*	x	
Minster Veterinary Practice	x	x
Muntons PLC	see EFFP	
NADIS	x	
NFU		x
North Yorkshire Red Meat Groups	x	
Stockbridge Technology Centre Research Foundation		x
Tony Walmsley Associates		x
Yorkshire Agricultural Society		x
Yorkshire Rural Training Network	x	
Yorwoods	x	

*Same as Ibbotsons

Note: For completeness we have kept all training providers in the list above even if they may not have provided any training on technical/business management advice.

West Midlands Training Providers

West Midlands Training Providers	Technical Advice/Knowledge Transfer (including Animal Health and Welfare)	Business Management Advice/Knowledge Transfer
7Y Services		
Adas	x	x
AHDB		
Arden Forest		
BCVA		
BPEX	x	x
Business Information Point		
Campden Technology		
Cardiff University		
Central Training Services		
Cooke Training And Development		
EBLEX	x	x
EBVC		
Farming & Wildlife Advisory Group		
FEC Services Ltd		
Four Crosses		
G&ACSSBC		
Garden Organic		
Glebe Farm		
Growing Rural Enterprise		x
Harper Adams		
Hartpury College		
Hay Veterinary Group		
Heart of England Fine Foods		
Herefordshire Rural Hub		
HGCA	x	
Hillhampton Technical services		
Institute of Organic Training and Advice		
Kingshay		
Kite		
Laurence Gould		x
Linking Farming and Environment (LEAF)	x	
Local Sourcing		
Lodders		
Mark Measures		
Masstock		
Midwest Rural Enterprises		
Minster Vets	x	x

My Healthy Herd		
Nadis	x	
National Beef Association		
NFU		x
NIAB / The Arable Group / TAG Consulting		
P&L Agriconsulting		
Pan Livestock		
Potato council		
Poultec	x	
RASE		
Royal Agricultural College	x	x
Royal Veterinary College		
Rural Hubs West Midlands		
RW Partnership		
Sastak		
Shire 4 Education		
Shropshire Rural Hub		
Smiths Gore		x
South Staffs College		
Staffordshire Rural Hub		
Stargrazers Discussion Group		
TFTF (2008) Ltd		
TKF		
Veridian Associates		
Veterinary Laboratories		
Walford & N Shropshire College		
Warwickshire College		
Warwickshire Rural Hub		
Westpoint	x	
Worcestershire Rural Hubs		
Wyvern Training Services		
XL Vets	x	

Note: For this region, no data are available to show which organisations have provided which type of training. Where possible this information has been completed using the information available for other regions.

North West Training Providers

North West Training providers	Technical Advice/Knowledge Transfer (including Animal Health and Welfare)	Business Management Advice/Knowledge Transfer
CREA		
Myerscough College		
Reaseheath College		
Scottish Agricultural College	x	
University of Cumbria		

Note: For this region, no data are available to show which organisations have provided which type of training. Where possible this information has been completed using the information available for other regions.

East Midlands Training Providers

East Midlands Training Providers	Technical Advice/Knowledge Transfer (including Animal Health and Welfare)	Business Management Advice/Knowledge Transfer
ADAS	x	x
BPEX	x	
CEVAS - Access to Farms		
DairyCo	x	x
Dovecote Park		x
EBLEX	x	
English Food and Farming Partnership		x
FWAG	In administration	In administration
Groundwork Derby and Derbyshire		
Growing Rural Enterprise		x
Lawrence Gould		x
Middle England Training Association	x	
Minster Vets	x	
More People		x
NADIS	x	
National Sheep Association	x	
NFU - East Midlands		x
Nottinghamshire Farm Business Association		x
Park Hill Training	x	x
Royal Agricultural College	x	x
Rural Development Initiatives	x	x
Rural Training Links	x	x
The Arable Group	x	
The Farming Life Centre		x
Tony Walmsley Associates		x
XLVET Training services Ltd	x	

Note: For completeness we have kept all training providers in the list above even if they may not have provided any training on technical/business management advice.

North East Training Providers

North East Training Providers	Technical Advice/Knowledge Transfer (including Animal Health and Welfare)	Business Management Advice/Knowledge Transfer
BWMB	x	
Access To Farms	x	
ADAS	x	
AONB Walling	x	
Border Crop Management		x
BPEX		X
Country Trust	x	
County Durham Federation of Young farmers	x	
EFFP		x
Farmstay	x	
Farmway		x
Herdsmans Certificate	x	
John Naylor*		
MVP	x	
NADIS/NEVA	x	
NFU/EFFP		x
NNATA	x	
Northern Trailer Training	x	
Northumberland Federation of Young Farmers	x	
Northwoods	x	
NWL	x	
RAFT XL Vets	x	
Royal Association of British Dairy Farmers		x
SAC Food Diversification		x
Scottish Agricultural College	x	
The Arable Group		x
UTASS	x	
Vicky Anderson training	x	
Weardale Outdoors	x	
XL Vets	x	

*not started providing training yet

Note: For completeness we have kept all training providers in the list above even if they may not have provided any training on technical/business management advice.

East of England Training Providers

East of England Training Providers	Technical Advice/Knowledge Transfer (including Animal Health and Welfare)	Business Management Advice/Knowledge Transfer
ADAS	x	x
Anglia Rural Training	x	x
Anglia Water Management	x	
BPEX	x	
Brown and Co		x
Decipher	x	
Easton College	x	x
EBLEX	x	
EFFP		x
Essex County Council	x	
HGCA	x	
Inn - Training	x	
Jarrold	x	
Laurence Gould		x
Linked Environment and Farming	x	
North Norfolk Business Forum		x
Otley College	x	x
Poultec	x	
Shuttleworth College	x	x
Smiths Gore		x
System Training	x	
Tastes of Anglia	x	x
The Arable Group (TAG) -	x	
University of East Anglia (UEA)		x
X L Vets	x	
YFC	x	x

Note: For completeness we have kept all training providers in the list above even if they may not have provided any training on technical/business management advice.

South East Training Providers

South East Training Providers	Technical Advice/Knowledge Transfer (including Animal Health and Welfare)	Business Management Advice/Knowledge Transfer
Brinsbury College	x	x
BTCV	x	
Cherwell and Isis Training	x	x
Chichester Crop Consultancy	x	
Concordia		x
Dale Training	x	x
ESUS	x	
FARMA		x
Growtrain	x	x
Hadlow College	x	x
Hampshire Training Providers	x	x
Kennet and Thames Training	x	x
Livestock Partnership	x	
Mid Kent Training	x	x
NADIS	x	
Plumpton College	x	x
Plunkett		x
Pro force	x	x
SCION	x	x
SEWF	x	
South East Food Group		x
Stock First Livestock Services	x	
Tourism South East	x	x
TV Energy	x	
UKVA		x
Vale Training	x	x
West berks and Oxon Training	x	x
Westpoint Veterinary Group	x	
Wineskills	x	x

Note: For completeness we have kept all training providers in the list above even if they may not have provided any training on technical/business management advice.

South West Training Providers

South West Training providers	Technical Advice/Knowledge Transfer (including Animal Health and Welfare)	Business Management Advice/Knowledge Transfer
ADAS	x	
Abbey Green Vets Ltd	x	
Adela Booth Associates	x	x
Agri-Bip	x	x
Agrovista	x	
Albert Cottage Vet Clinic	x	
Alpharma Animal Health	x	
Alta Uk Ltd	x	
Animal Health - David Hinton	x	
Animal Vet Centre Ltd	x	
Animal Vet Services Ltd	x	
Axe Valley Vet Practice Ltd	x	
Benson and Babb	x	
BOCM Pauls Limited	x	
Bodmin Moor Hill Farm Project	x	x
Bredy Veterinary Centre	x	
British Egg Industy Council	x	
British Grassland Society	x	x
British Wool Marketing Board	x	
Bulworthy Project	x	
Calweton Vet Group	x	
Cannington College	x	x
Carruan Farm Centre	x	
Castle Veterinary Group	x	
Cedar Farm Practice	x	
Charter Vets	x	
Church End Veterinary Centre	x	
Clifton Villa Veterinary Services	x	
Coldicott Veterinary Clinic	x	
Coombe Farm	x	
Coombefield Vet Hospital	x	
Cornwall Farmers Ltd	x	
Cornwall Sheep Dog Society	x	
Cornwall Smallholders	x	x
Cornwall YFC	x	x
CQLP Ltd	x	
Crops for Energy	x	
D.J & A.M. Ellis	x	

Damory Veterinary Clinic	x	
Dart Vale Vet Group	x	
Dartmoor Hill Farm Project	x	x
Davisons Accountants		x
Delaware Veterinary Group	x	
Devon Farms	x	x
Devon Sheep Dog Society	x	
Devon YFC	x	x
Dorset Training	x	x
Dorset YFC	x	x
Drove Veterinary Hosptial	x	
Duchy College	x	x
Duchy of Cornwall	x	x
Dulverton Veterinary Practice	x	
Dupath Butchery Training	x	
EBLEX	x	
EBVC	x	
Endell Veterinary Group	x	
Environment Agency	x	x
European Food & Farming Partnership	x	x
Evolution Farm Vets	x	
Exe Vale Farm Discussion Group		x
Exmoor Farm Business Programme		x
Exmoor Hill Farm Project	x	x
FACE		x
Farm Consultancy Group	x	x
Farm Vets South West	x	
Filham Park Vet Clinic	x	
Francis & Jackson	x	
Friars Moor Veterinary Clinic	x	
FWAG	x	x
G & P J Nute	x	
Garston Veterinary Group	x	
George Veterinary Group	x	
Girling and Bowditch	x	
Gloucestshire YFC	x	x
Harleigh Vets	x	
Harper Home Mix Ltd	x	
Harpers Home Mix	x	
Hayle Veterinary Group	x	
Head & Head	x	
HSE		x
Huers grp		x
Humphrey Feeds	x	
Hyline UK Ltd	x	

Ikin & Oxenham	x	
IOTA (Institute of Organic Training & Advice)	x	
J.R. Moore -Pullet Rearer	x	
Jonathan Holt	x	
Kensey Training	x	x
Kenwyn Veterinary Centre	x	
Kernow Training	x	x
Kingshay Farming Trust	x	
Kingsteignton Vet Group	x	
Kingston Maurward College	x	x
Kingston Vet Group	x	
Kinsghay Farming	x	
Langford Farm Animal Practice	x	
Langport Vet Centre	x	
LANTRA	x	x
LEAF	x	x
Liverpool University	x	x
Livestock Improvement Corporation	x	x
Lohmann GB Ltd	x	
LSSC LTD	x	x
Luxstowe	x	
Luxstowe Vets	x	
Lynher Training	x	x
Magdalen Project		x
Market Veterinary Centre	x	
Masstock	x	
Merial Animal Health Ltd	x	
Mid Cornwall Machinery grp	x	x
Mole Valley Farmers	x	
Moorgate Veterinary Group	x	
Mount Vets Farm Animal Department	x	
National Milk Records	x	
New Street Vets	x	
NFU	x	x
Noble Foods Ltd	x	
North Devon Dairy Discussion Group	x	
North Park Vet Group	x	
North Tawton Vets	x	
North Wilts Training Group	x	x
Novartis Animal Helalth UK ltd	x	
Orchard Veterinary Group	x	
Pan Livestock Services Ltd.	x	
Pelyn Veterinary Group	x	
Penbode Veterinary Group	x	
Penmellyn Vets	x	

Poultec	x	
Quickes Traditional	x	x
Riveria Produce		x
Rosemullion Veterinary Practice Ltd	x	
Rosevean Veterinary Practice	x	
Royal Agricultural College	x	x
RSPB	x	
S.J Turner	x	
Selworthy Veterinary Group	x	
Semex	x	
Shepton Vet Group	x	
Silva House Veterinary Group	x	
Silvanus Trust	x	x
Smiths Gore	x	
Somerset Sheep Dog Society	x	
Somerset YFC	x	x
South Moor Vets	x	
Southill Vets	x	
Sou'westers Hort Club	x	x
SR Training	x	x
St David's Farm Practice	x	
St. Boniface Vet Clinic	x	
Stonegate	x	
Stow Vets	x	
Straight Line Nutrition	x	x
Stuart Young Veterinary Services	x	
Summit Discussion Group	x	
Synergy Farm Health Vets	x	
Tamar Valley Organic Group	x	x
The Dairy Group	x	
The Vale Veterinary Group	x	
Tibbs & Simmons	x	
Tom Philips Consultancy	x	
Torbridge Veterinary Hospital	x	
Transplant Training	x	x
Tyndale Farm Vets	x	
Vale Veterinary Clinic	x	
Vetswest Ltd	x	
Walters, McFadyen & Jones	x	
West Cornwall Dairy Discussion Group	x	
West Cornwall Grassland Society	x	
West Country Rivers Trust		x
West Ridge Veterinary Practice	x	
Westfield Veterinary Centre	x	
Westpoint Veterinary Group	x	

White Lodge Vets	x	
Wiltshire YFC	x	x
Wolfgar Veterinary Surgery	x	
Wood Veterinary Group	x	
XL Vets	x	
XL Vets Farm Skills	x	
Young Ones Discussion Group	x	