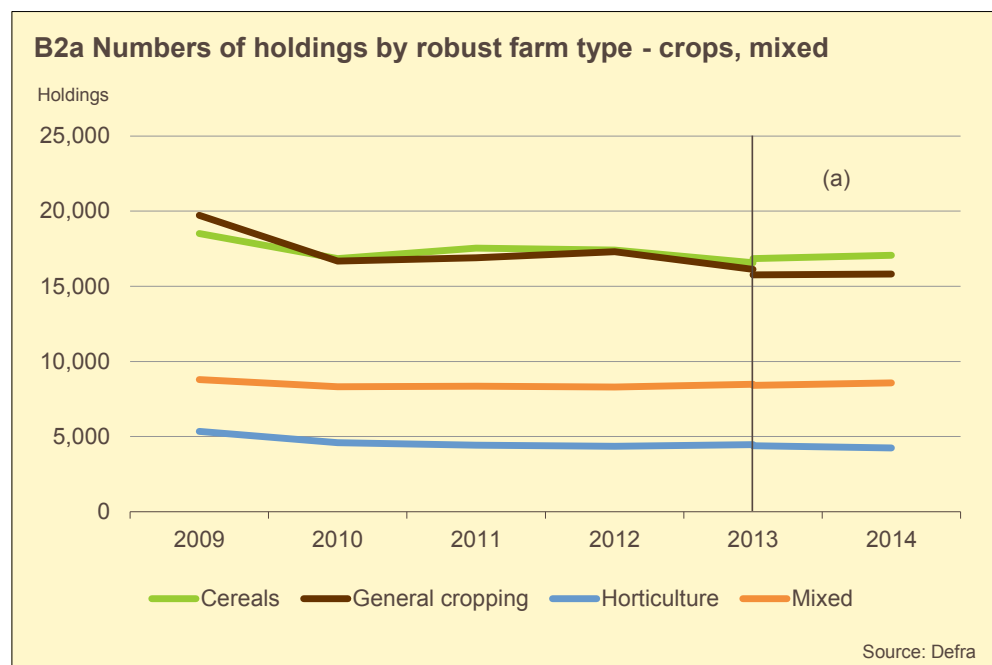


Observatory monitoring framework – indicator data sheet

Process: Farm Business

Indicator B2: Farm type

This indicator presents data on the number of holdings by robust farm type in terms of Standard Outputs (SO) from 2009.



Between 2013 and 2014:

- the number of mixed farms increased by 2.1%;
- the number of cereal farms increased 1.2%;
- the number of horticultural farms declined by 3.5%.

(a) Standard outputs were previously based on a five year average centred around 2007. In 2013 the five year average was changed to centre on 2010. Results for 2013 are shown here on each basis for comparison.

Since 2009:

- there have been declines in the number of holdings for each cropping farm type shown;
- the largest percentage declines were for horticulture (-21%) and general cropping (-20%);
- cereal holdings fell by 8% and mixed farms by 3%.

B2b Numbers of holdings by robust farm type - livestock

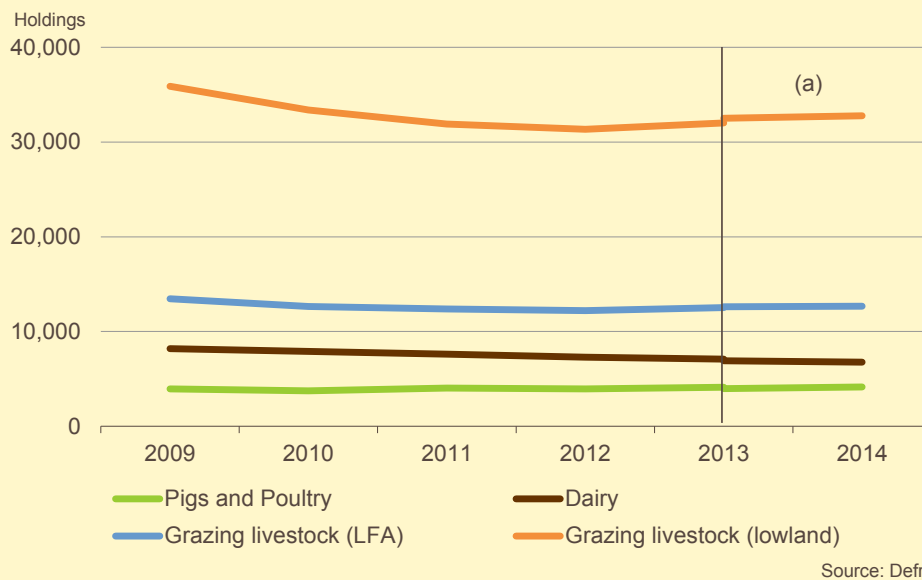


Chart B2b shows the number of holdings classified to livestock robust types.

Between 2013 and 2014:

- there were slight declines in the number of dairy and poultry holdings;
- there were increases for grazing livestock;
- the number of pig holdings increased by 11%.

(a) Standard outputs were previously based on a five year average centred around 2007. In 2013 the five year average was changed to centre on 2010. Results for 2013 are shown here on each basis for comparison.

Since 2009:

- there have been declines in the number of holdings for each livestock farm type shown with the exception of pigs.

This indicator was updated in September 2015. The next update will be in 2016.

Further information and contact

Background information can be found in the accompanying fact sheet.

For further queries or information on this indicator contact Defra's Observatory team on +44 (0) 1904 455058 or email Observatory@defra.gsi.gov.uk

Observatory monitoring framework – indicator fact sheet

Process: Farm business

Indicator B2: Farm type

<i>Indicator</i>	Farm type
<i>Data</i>	Numbers of holdings by robust farm type
<i>Geographic coverage</i>	England
<i>Years</i>	2009 - 2014
<i>Source</i>	Defra
<i>Origin of data</i>	June survey, Cattle Tracing System
<i>Updates</i>	This indicator will be updated annually. The next update will be in 2016.
<i>Background</i>	<p>There are likely to be changes to the distribution of holdings by farm types as a result of CAP reform and other drivers. The relative mix of enterprises on a holding is likely to have a strong influence on the type of environmental impact (both positive and negative), arising from agricultural operations.</p> <p>Farm types are based upon the dominant economic enterprise of the holding and it should be remembered that, for example, a holding classified as cereals may also have some livestock or horticulture (and vice versa). Further details are given below.</p> <p>A register cleaning exercise was undertaken prior to the 2010 June Census and together with the introduction of the survey threshold (to meet EU requirements) resulted in many unclassifiable farms being removed from the survey register. Due to the removal of compulsory set-aside for the 2008 harvest, there are no holdings classified as specialist set-aside from 2008 onwards.</p> <p>Due to methodology changes, data for years before and after 2009 cannot be directly compared.</p> <p>Data are only presented from 2009 onwards due to several survey methodological changes over time which makes comparisons with earlier years difficult.</p> <p>For historical data please see the accompanying indicator dataset.</p>
<i>Statistical & methodological information</i>	<p>Typology</p> <p>Holdings are classified to allow analysis of individual sectors. Grouping together similar holdings allows comparisons between results for different groups of farms. Classification systems are designed so that the holdings in the same group are as similar as possible.</p> <p>Classification by type is a relatively simple process when there is only one agricultural enterprise type present on a holding. However, when more than one enterprise type is present (for example both pigs and arable), a system is needed to decide how to classify the resulting holding.</p>

The revised typology introduced from June 2009 has resulted in, 9,800 farms previously classified as “specialist horses” within robust farm type “other” to be now classified as “grazing livestock” (8,300 on lowland farms and 1,500 on farms in the LFA).

Since 2000, the number of holdings classified as general cropping and horticulture has continued to decline. The number of holdings classified as cereals increased gradually from the late 1990s until 2008. The introduction of Cattle Tracing System (CTS) data for cattle in 2006 led to a small net increase in the number of cereal holdings although there was little impact to the number of holdings classified as general cropping, horticulture or mixed.

The number of holdings classified as “dairy” has declined considerably since 2000. Methodological changes in 2006 (introduction of CTS data for cattle populations) and 2009 (introduction of typology based on standard outputs) have both resulted in net reductions in the number of holdings classified as robust farm type “dairy”. In 2009, some 1300 “dairy” farms were reclassified as “grazing livestock”. Other methodological issues relating to earlier years are detailed in the accompanying fact sheet.

A register cleaning exercise was undertaken prior to the 2010 June Census and together with the introduction of the survey threshold (to meet EU requirements) resulted in many unclassified farms being removed from the survey register. Due to the removal of compulsory set-aside for the 2008 harvest, there are no holdings classified as specialist set-aside from 2008 onwards.

Methodology until June 2009

The English (and UK) system was based on weighting contributions by the profit associated with them. Standard Gross Margins (SGMs) were calculated per hectare of crops and per head of livestock (from June Survey returns and, since 2006, the Cattle Tracing System) and used to generate the standard profit associated with each part of the holding.

The individual margins for each holding were not available, so standard figures for different livestock and crop types were used. SGMs are representative of the level of profit that could be expected on the average farm under “normal” conditions (i.e. no disease outbreaks or adverse weather). Different SGMs are calculated for North England, East England and West England to allow for the differences in profit in different areas.

SGMs reflect the “gross margin” expected, which means that they reflect the value of output minus the variable costs directly associated with producing that output. Variable costs are those that vary in approximately direct proportion to the scale of production, for example seed, fertiliser and feed.

Until 2004, the SGMS used for classification were based on a three-year average centred on 1988. The SGMs in use until 2009 were based on a five-year average centred on 2000. A five-year average was used in order to lessen the impact of annual fluctuations.

A holding was then allocated to a particular farm type when the contribution of a crop or livestock type (or set of crop and livestock types) comprised more than two-thirds of its total SGM.

Some key changes to the system were made in 2004: the separation of *Specialist Pigs* and *Specialist Poultry* into two different robust types, the extension of *Cattle* and *Sheep* types to include other grazing livestock (inc. goats and deer), the allocation of *Specialist Mushroom* farms to *Horticulture* instead of *Other*, and the separation of

main type *Specialist Hardy Nursery Stock* from main type *Other Horticulture*.

Methodology from June 2009

From June 2009, a new system based on standard outputs (SO) has been introduced. This system has been adopted by all member states that provide farm accountancy data to the EC Farm Accountancy Data Network (FADN). The revised typology resulted in a widespread reclassification of farms. In particular, 12,500 farms previously classified as specialist grass and forage within robust farm type “other” are now classified as robust farm type “general cropping”.

Standard outputs measure the total value of the output of any one enterprise – per head for livestock and per hectare for crops. Unlike SGMS, no input costs are deducted in the derivation of standard outputs. This means that both the absolute and relative values of the coefficients for different enterprises are quite different under SO typology compared to SGMS.

In the UK, a constant set of 2007 centred standard outputs have been used to classify farms. The 2007 standard outputs are an average for the years 2005-09. The main differences between the SO typology and SGM typology are:

- i) The inclusion of “forage and grassland” products in the calculation of the total standard output. Whereas in the SGM typology “forage and grassland” products were excluded from the calculation of the total SGM, in the standard output typology, where a farm business/holding does not have any grazing livestock, forage is considered as being “for sale” and grouped amongst general cropping products. Where a farm business/holding does have grazing livestock, the forage is considered as being “for grazing livestock” and grouped amongst grazing livestock products.
- ii) Revised method for the classification of specialist grazing livestock farms under the SO typology. In particular, the classification of the specialist dairying and specialist cattle farm types has been revised.
- iii) The inclusion of specialist horse types amongst the grazing livestock category. This is in accordance with the EC’s farm type classification system for both SGM and SO typologies. Specialist horse farms were previously recorded under farm type “other”.
- iv) Specialist hardy nursery stock products are re-grouped from permanent crops in the EC’s SGM typology to horticulture crops in the EC’s standard output typology.

There are several levels of detail provided for in the classification system; at the simplest and most commonly used level, farms are divided into 10 “robust types” for analysis:

1. Cereals
2. General cropping
3. Horticulture
4. Specialist Pigs
5. Specialist Poultry
6. Dairy
7. LFA Grazing Livestock
8. Lowland Grazing Livestock
9. Mixed
10. Other (including Non-classifiable) / Unclassified

Robust type “mixed” includes mixed cropping and livestock enterprises and mixed livestock enterprises.

Standard outputs were based on a five year average centred around 2007. In 2013 the five year average was changed to centre on 2010. Results for 2013 are shown on each basis for comparison.

June Survey

Until 1994, there was an annual census of all main holdings in England. In 1995 sampling was introduced in order to reduce the burden on farmers and growers. However to meet EU requirements a full census was held in 2000 and 2010.

The sample is stratified by farm size with the sampling rate increasing with farm size (measured by standard labour requirement (SLR)). In 2007, holdings of less than 0.25 SLR were sampled at a rate of just 10% whilst all holdings over 5 SLR received a form. The overall sampling rate has decreased over time (see table below).

1994	1995	1996	1997	1998	1999	2000
100%	82%	82%	73%	74%	75%	100%

(a) 2001	2002	2003	2004	2005	2006	2007
21%	41%	39%	25%	38%	31%	28%

(a) reduced sample due to Foot and Mouth Disease

2008	2009	2010	2011	2012	2013	2014
19%	19%	100%	29%	28%	48%	28%

Response rates in recent years have tended to be approximately 70%.

Results for each question are produced using ratio raising techniques. Estimates for each question are derived for non-sampled and non-responding holdings based on information from the last return received and trends on responding holdings in intervening years.

Survey threshold

A survey threshold was introduced in June 2010 in order to exclude holdings with small levels of farming activity and meet the requirements of the EU Farm Structure Survey Legislation. From 2010 onwards, holdings will only be included in the June Survey if they exceed any of the following criteria (as defined by EU Farm Structure Survey Regulation EC 1166/2008):

- >5 hectares of agricultural land
- >1 hectare of orchards
- >0.5 hectares of vegetables
- >0.1 hectares of protected crops
- >10 cows
- >50 pigs
- >20 sheep
- >20 goats
- or >1,000 poultry.

Whilst this removed more than 40% of farms from the survey register, it has little impact on estimates of land use and livestock numbers, reducing national estimates of total land area by 2%. The threshold has been applied retrospectively back to 2000 to the results presented in this indicator.

Register Cleaning

In advance of the full census in 2010, a number of holdings were identified with whom no contact had been made for many years and that did not appear recently on any other Defra administrative system. There were a further substantial number of responses to the 2010 census for holdings that had not recently been surveyed indicating that they now had little or no agricultural activity. It is very likely that these holdings have been inactive for a number of years.

In order to derive comparable results for June 2010, the 2009 June Survey results have been revised to reflect both the survey threshold and the register cleaning exercise.

Cattle Tracing System (CTS)

Since June 2007, cattle populations have been derived from administrative data - the Cattle Tracing system. There is detailed farm level data available from both systems for comparison for June 2005 and June 2006, although farm types have been recalculated for June 2006 only.

Beef/Dairy herds

In the June survey, farmers classified their cows to either the beef or dairy herds according to the use to which the cattle were mainly put on the farm. On the CTS system, cattle are classified as having breed purpose dairy, beef or dual. This classification is determined only by the breed of the animal - not necessarily the use made on the farm. Cows recorded as dual purpose have been assigned to either the dairy or beef herds at a farm level based on the other cattle on the holding. Where there are no other cattle on the holding, they are allocated based on the national proportions of cows of breed purpose beef/dairy in the same age band.

Further information

Defra June Survey of Agriculture and Horticulture information and data can be found at:

<https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs/series/structure-of-the-agricultural-industry>

Detailed information on June Survey of Agriculture and Horticulture methodology can be found at:

<https://www.gov.uk/structure-of-the-agricultural-industry-survey-notes-and-guidance>