

## Farmers of Tomorrow will be the Best of Today's Farmers

**This is a bold statement that emerges from the newly published Edition of the John Nix Pocketbook for Farm Management.**

The book which has just been published, provides farm management and budgeting figures for 2022. It sees challenges ahead, with farm subsidies becoming more difficult to access for some farmers and for many, lower ex-farm prices than are available today. This could present a difficult time for the farming industry and encourage many to change the way they have farmed until now.

"This is a big concern for many farmers" says Graham Redman, Editor of the Pocketbook, saying, "the current high prices may not remain". Indeed, the Pocketbook uses lower prices than are currently available for most farm goods in its budgeting figures for 2022. For example, feed wheat, beef and milk are all costed at lower values. "Farmers should prepare for leaner times, which might be as soon as next year" says Redman. He expects ex-farm prices for many goods to drop in the coming 12 months. Along with that, the change in allocation of farm subsidy will start taking effect from this December and more reductions will occur in 2022. Some farmers will be better off from the implementation of the Environmental Land Management scheme, but there will be many who become financially worse off.

In the longer term, as UK policy no longer has to fit into the framework of the EU's Common Agricultural Policy, it will change considerably. To that extent, it may even redefine many farmer's roles. The 'as of right' payments for occupying land are now tapering down (in England), as explained in the book, and farmers will have to work to receive Government Support. This changes the economics of farming, as well as the way things are done on farm. Lord Plumb points out this might offer exit opportunities for many older farmers, and new business and growth chances for younger energetic farmers.

Graham Redman, Editor of the Nix Pocketbook emphasises, "Lord Plumb's comment identifies that it may not be just the activities on the farm that change, but those doing the farming may also change in the coming years. He also identifies there is a retirement facility but those staying in may have to think carefully about how they are farming".

The whole-farm costings chapter of the Pocketbook demonstrates wide variations in budgeted profitability in 2022 between sectors and farmer performances. The Pocketbook has a series of whole-farm costings showing the profit and loss of key farm systems. It includes both figures from the average and the better performers summarised here.

<b>2022 Whole Farm Figures</b> £/Ha	Combinable Crops		Dairy		Lowland Beef & Sheep		Upland Beef & Sheep	
	Average	High	Average	High	Average	High	Average	High
<b>Performance level</b>								

Farm Gross Margin	724	888	1938	2207	500	802	337	532
Total Fixed Costs	670	603	1640	1476	910	819	510	459
<b>Margin Before Rent &amp; Finance</b>	<b>54</b>	<b>285</b>	<b>298</b>	<b>731</b>	<b>-410</b>	<b>-17</b>	<b>-173</b>	<b>73</b>
Less Rent & Finance	145	145	200	200	110	110	60	60
Plus Support & Diversification	201	205	219	223	340	350	213	215
<b>Business Profit (Loss)</b>	<b>110</b>	<b>345</b>	<b>317</b>	<b>754</b>	<b>-180</b>	<b>223</b>	<b>-21</b>	<b>228</b>

The table demonstrates that now, more than ever before, the difference between average and best performance is considerable. "To survive, let alone thrive, managers must be at the top of their game in the years ahead especially with the Basic Payment falling," says Redman. This table includes an allowance for the farmer's time other unpaid labour and land rent. It is the calculated profit/loss rather than the cash position which can be positive even when a loss is shown on paper.

The book is updated for 2022 with over 100 enterprises costed for the year ahead, overheads, capital and other farming costs. It recognises that farming will continue however challenging the coming months turn out to be, and farmers and managers must continue to focus on what they have control over within their farming systems.

The Farm Management Pocketbook is designed to help farmers, students and other agribusiness professionals to understand their farms, the industry and the opportunities that it offers. It costs £31.00 +P&P. Visit <https://theandersonscentre.co.uk/shop/john-nix-pocketbook/> to purchase a copy, view the contents and examine some sample pages of the book.

#### EDITORS NOTES:

616 words plus table: For more information visit, <https://theandersonscentre.co.uk/publications/john-nix-farm-management-pocketbook/media-information/>, contact Graham Redman on 01664 503 200 or email him at [gredman@theandersonscentre.co.uk](mailto:gredman@theandersonscentre.co.uk)

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# John Nix Pocketbook

FOR FARM MANAGEMENT



**2022** 52<sup>ND</sup>  
EDITION

The most comprehensive business information in British agriculture

*Graham Redman*