

**Projected Farmer Profits and New Environmental Outputs to be Managed**

**A wide range of projected profits coupled with a rise in the amount a farmer has to manage is projected for 2020 in the 50th Edition of the John Nix Farm Management Pocketbook.**

The Pocketbook has taken another big leap forward this year with the addition of two completely new chapters in its just-published Edition; a whole farm costings chapter and another on emissions and the environment.

With the whole-farm costings chapter, the book demonstrates that profitability will vary considerably in 2020 between sectors and between farmers. It has a series of whole-farm costings showing the profit and loss of key farm systems. It includes both figures from the average performances and the better performers. “This is a big step forward” says Graham Redman, author of the book, “helping users to bring all costs together with the typical outputs in certain farm systems. This will help those who do not undertake full farm costings regularly and those observing farming who want to see farm accounts through to profit and loss. It is also useful to encourage all farmers to consider their own farming accounts.

***Summary of Nix Pocketbook’s Whole Farm Costings***

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Combinable Crops | |  | Dairy | |  | Lowland Beef & Sheep | |  | Upland Beef & Sheep | |
|  |  | Average | High |  | Average | High |  | Average | High |  | Average | High |
| Farm Gross Margin |  | 640 | 803 |  | 1962 | 2262 |  | 318 | 624 |  | 199 | 367 |
| Total Fixed Costs |  | 685 | 617 |  | 1530 | 1377 |  | 900 | 810 |  | 475 | 428 |
| **Margin Before Rent & Finance** |  | **-45** | **187** |  | **432** | **885** |  | **-582** | **-186** |  | **-276** | **-61** |
| *Less* Rent & Finance |  | 135 | 135 |  | 205 | 205 |  | 100 | 100 |  | 60 | 60 |
| *Plus* Support & Diversification |  | 261 | 265 |  | 263 | 267 |  | 385 | 394 |  | 273 | 276 |
| **Business Profit (Loss)** |  | **81** | **317** |  | **490** | **947** |  | **-298** | **108** |  | **-64** | **155** |

The table shows a summary of the 4 main farm systems. It shows the wide variation in projected profitability from Dairy at the highest to lowland beef and sheep at the lowest. It also demonstrates the variation between performers within each farming sector.

The book has also included a chapter on Environmental emissions and waste for the first time. “There is a raft of new outputs that farmers will be expected to deliver alongside traditional crops and livestock”, says Redman, “alongside diversification and renewable energy projects, climate change has risen up the political agenda again. Society will soon be asking farmers and paying them to provide carbon storage and sequestration services. This might be delivered through new payment schemes for public goods or through emerging private markets.”

This all provides extra opportunities for farmers to consider and variables for them to manage so a completely new chapter in the Pocketbook covering emissions, water use and farm waste has been included to help. It is expected to grow in future Editions as non-market goods become an increasingly important part of most farms’ income streams. Redman points out “in the future, providing carbon sequestration services or other public goods will become a standard part of modern farming systems.”

The book is updated for 2020, so has commentary of Brexit. More importantly, it recognises that farming will continue however the coming months turn out, and so 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 £29.00 +P&P. Visit [www.thepocketbook.co.uk](http://www.thepocketbook.co.uk) to purchase a copy, view the contents and examine some sample pages of the book.

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**EDITORS NOTES:**

577 words: For more information visit <https://www.thepocketbook.co.uk/pocketbook-media-page/>, contact Graham Redman on 01664 503 207 or email him at [gredman@thepocketbook.co.uk](mailto:gredman@thepocketbook.co.uk)

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