

CONTRACT FARMING AGREEMENT (CFA) COMPARISON

HARVEST 2022

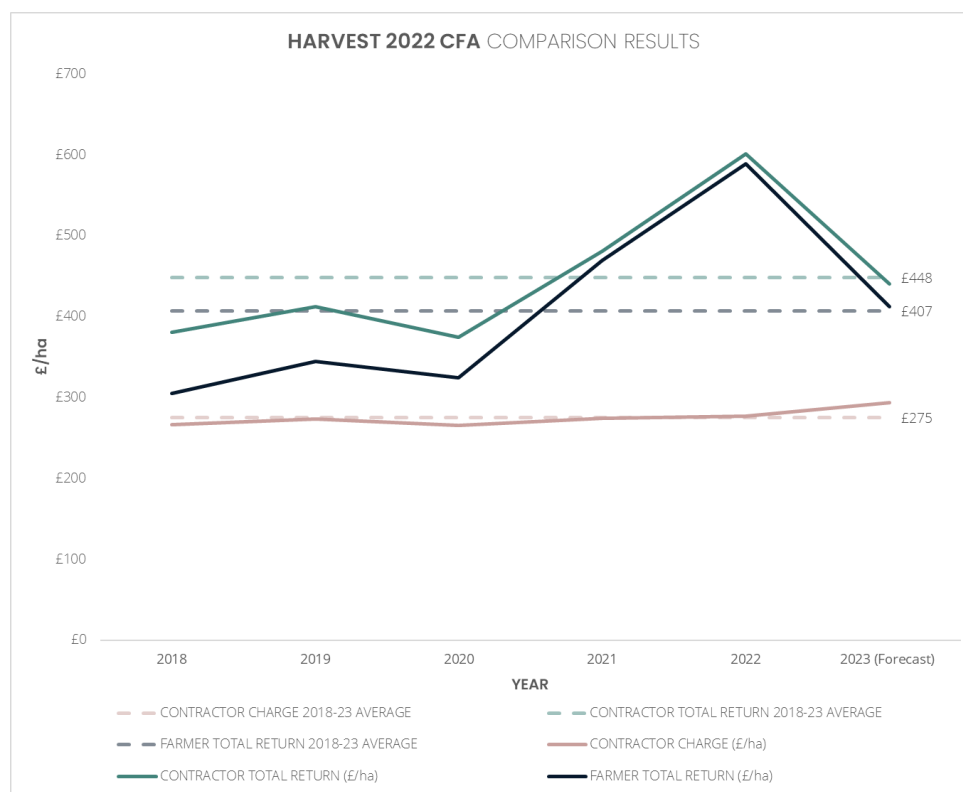


FIGURE 1: CFA results for harvest 2022 and 2018-2023

THE SURVEY

The 2023 Ceres Rural LLP CFA comparison data is derived from a company-wide pool of clients under such agreements. The data comes from offices located in Saffron Walden, Norwich and Oxford. The 2022 data set comprises 54 CFAs, covering 13,700 hectares (33,900 acres).

The figures for harvest 2023 are an estimate based on the data available at the time of writing so only account for 41 farms.

All data is from the arable enterprises; no livestock farming is accounted for within these results.

2022 AGAINST 2021 RESULTS AND 2023 OUTLOOK

CONTRACTOR CHARGE (£/ha)

The average contractor charge for harvest 2022 is the highest within the dataset available from 2018-2022. Standing at £277/ha, it presents £3/ha higher than the next highest of

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£274/ha from 2021. Initial indications suggest this will rise further in 2023, with the available figures showing an average of £294/ha, £17/ha higher than 2022.

FARMER TOTAL RETURN (£/ha)

The farmers' total returns for harvest 2022 are considerably higher than the previous year, and once again the highest seen within the dataset between 2018 and 2022. £589/ha is £119/ha higher than 2021 and £284/ha higher than when data collection started in 2018, then at £305/ha. Early indications show this figure dropping considerably for harvest 2023 to £412/ha, although as mentioned above, not all CFA's have data available for a harvest 2023 estimate.

CONTRACTOR TOTAL RETURN (£/ha)

The greatest increase across all measurables is seen in the contractor total return for harvest 2022. At £601/ha, this figure is £120/ha higher than in 2021 and £226/ha higher than the lowest average figure recorded of £375/ha (2020). As with the farmer total return, this figure looks likely to drop substantially for harvest 2023, but again the dataset is incomplete.

TABLE 1: CFA Averages 2018-2023 (Forecast)

CONTRACT FARMING RETURNS - 2018 TO 2023 (FORECAST)							
HARVEST YEAR	NO. OF DATA SETS	AV. FARM SIZE (ha)	CONTRACTOR CHARGE*	FARMER TOTAL RETURN**	% TOTAL RETURN OF FARMER	CONTRACTOR TOTAL RETURN**	% TOTAL RETURN OF CONTRACTOR
2018	29	232	267	305	45%	380	55%
2019	31	251	273	345	46%	412	54%
2020	45	262	265	324	46%	375	54%
2021	46	270	274	470	49%	481	51%
2022	54	254	277	589	49%	601	51%
2023 FORECAST	41	234	294	412	48%	441	52%

*(£/ha)

** (Incl. D/S) (£/ha)

NB. The 2022 BPS £/ha has been added to the Farmer Total Return for five farms where the income is not included within the CFA.

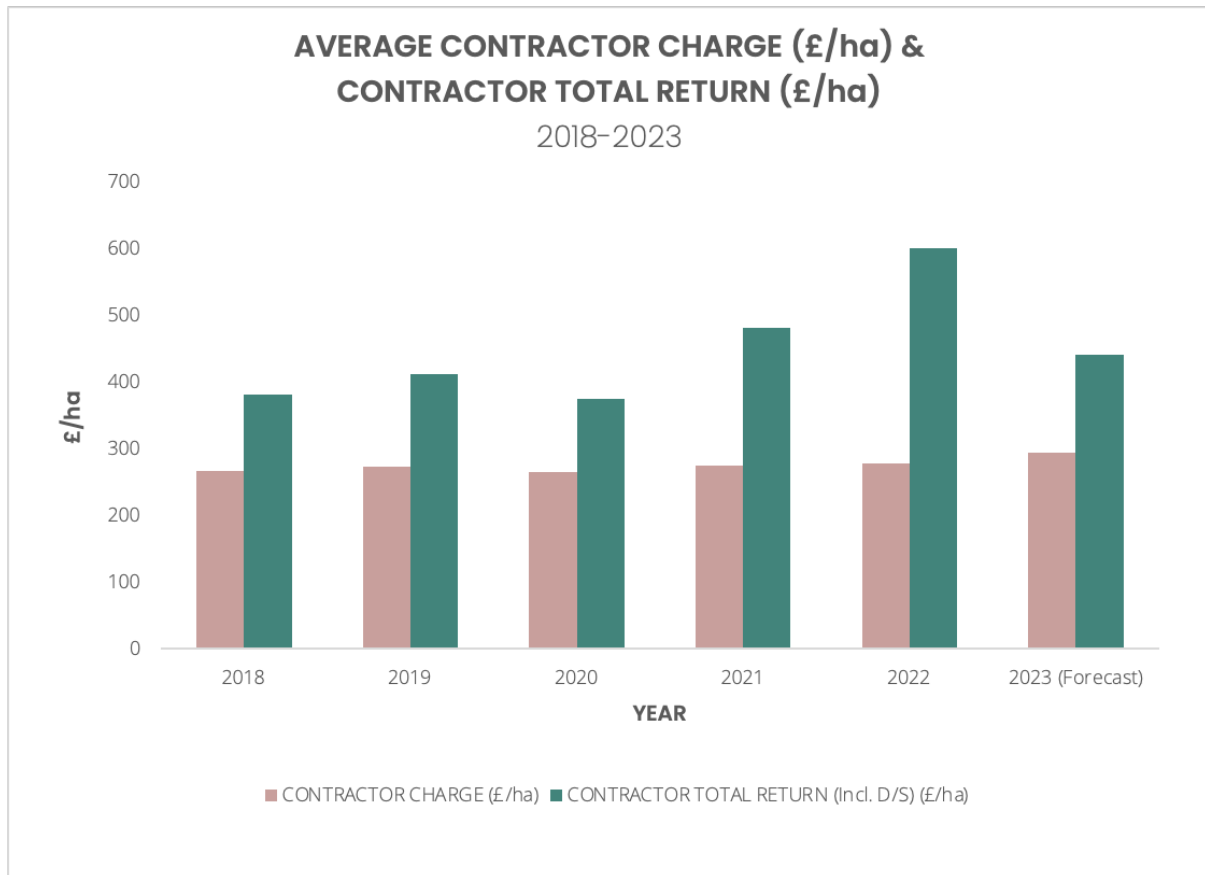


FIGURE 2: Average Contractor Charge (£/ha) and Contractor Total Return (£/ha) 2018-2023