

Teagasc National Farm Survey 2020

Single Suckling Enterprise Factsheet



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Single Suckling Enterprise 2020 Average performance



Irish Cattle Slaughter
1.882 million head (up 1.6%)



Stocking Rate (Calf to Weanling)
average of 1.22 lu/ha (down 0.8%)



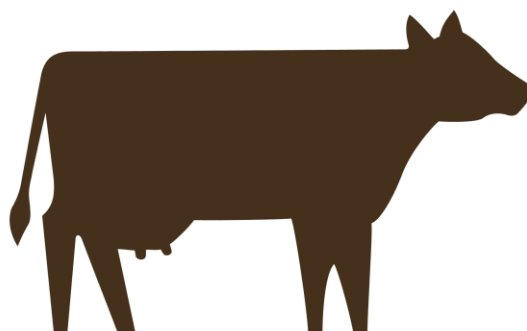
Live Exports
265,000 head (down 11.1%)



Stocking Rate (Calf to Store)
average of 1.56 LU/ha (up 4%)



Irish Suckler Cow Numbers
0.92 million (down 4.2%)



Weanling sales price
average €816/head (up 5.8%)



Male Store sales price
average €988/head (up 2.9%)



Total Production Costs
(Single Suckling)
average €1,005 per hectare (down 1%)



Female Store sales price
average €938/head (up 1.5%)



Gross Margin
(Single Suckling)
average €463 per hectare (up 9.5%)



Background

The 2020 Teagasc National Farm Survey (NFS) recorded data on 805 farms, 230 of which were single suckling farms. The performance of the single suckling enterprise in 2020 is summarised here and relates to those farms with herds of greater than 10 cows. The Single Suckling enterprise is the predominant cattle enterprise in Ireland, operated on over 31,000 farms.

1. Analysis of Financial Performance

The profit figures reported here exclude all decoupled payments and any costs relating to family labour. The enterprise profit figures do however include coupled direct payments. These payments have contributed importantly to enterprise gross output in 2020. Gross output increased (5%) on the average single suckling enterprise in 2020 to €980 per hectare. In 2020, this increase in gross output was partially offset by a 2% increase in direct costs, leading to a 9% increase in the average gross margin on a per hectare basis. On average, energy and fuel costs decreased by 9% year-on-year and other fixed costs decreased by 2%. In 2020, the increase in gross output was accompanied by lower total costs and average net margin per hectare increased significantly to -€25 per hectare.

Table 1: Average gross and net margin 2019 and 2020

| | 2019 € per hectare | 2020 € per hectare | 2020/2019 % change |
|---------------------------|-----------------------|-----------------------|-----------------------|
| Gross Output | 931 | 980 | 5 |
| Concentrate Costs | 145 | 147 | 1 |
| Pasture and Forage Costs | 255 | 256 | 0 |
| Other Direct Costs | 108 | 114 | 5 |
| Total Direct Costs | 508 | 517 | 2 |
| Gross Margin | 423 | 463 | 9 |
| Energy and Fuel | 118 | 107 | -9 |
| Other Fixed Costs | 389 | 381 | -2 |
| Total Fixed Costs | 507 | 489 | -4 |
| Net Margin | -84 | -25 | n/a |

Source: Teagasc National Farm Survey 2020

Mainly due to the increase in gross output on a per cow basis, gross margin per cow increased by 13% in 2020 to an average of €563, as illustrated in Table 2. Fixed costs decreased by 1% in 2020 and the net margin per cow therefore improved to -€36 per cow in 2020.

Table 2: Average, gross and net margin 2019 and 2020

| | 2019 € per cow | 2020 € per cow | 2020/2019 % change |
|--------------------|-------------------|-------------------|-----------------------|
| Gross Output | 1,112 | 1,193 | 7 |
| Total Direct Costs | 615 | 630 | 2 |
| Gross Margin | 496 | 563 | 13 |
| Total Fixed Costs | 603 | 599 | -1 |
| Net Margin | -106 | -36 | n/a |

Source: Teagasc National Farm Survey 2020

2. Variation in Production System

Data for 2020 relating to the various production systems found on Irish single suckling farms (calf to weanling, calf to store and calf to finish) are presented in Table 3. Single suckling to weanling and suckling to store systems are more prevalent than calf to finishing systems. However, the latter is more profitable, as evidenced by the calf to finishing enterprises in 2020, which had the highest gross margin per hectare (see Table 3). A higher stocking rate and superior soil quality are more prevalent on suckling to finishing farms.

Table 3: Variation in gross margin per hectare by production system 2020

| | Weanling | Store | Finishing |
|---|----------|-------|-----------|
| % of Farms in production system | 34 | 33 | 20 |
| Stocking rate (Livestock units per hectare) | 1.22 | 1.45 | 1.56 |
| % of Farms on Very Good Soils | 36% | 42% | 65% |
| Gross Output (€/hectare) | 820 | 962 | 1,134 |
| Total Direct Costs (€/hectare) | 433 | 500 | 600 |
| Gross Margin (€/hectare) | 387 | 462 | 534 |

Source: Teagasc National Farm Survey 2020

Table 4 shows that the changes in animal sales prices between 2019 and 2020 varied across the categories of cattle sales, with an average 6% increase in weanling prices being the largest percentage change. Male store sales prices increased by an average of 3% between 2019 and 2020. Female store sales prices increased by an average of 2%. Sales prices increased by 1% for male and female finished cattle between 2019 and 2020.

Table 4: Average animal sales prices 2019 and 2020

| | 2019 € per head | 2020 € per head | 2020/2019 % change |
|------------------|--------------------|--------------------|-----------------------|
| Weanlings | 771 | 816 | 6 |
| Male Stores | 960 | 988 | 3 |
| Female Stores | 924 | 938 | 2 |
| Finished Males | 1,397 | 1,417 | 1 |
| Finished Females | 1,264 | 1,282 | 1 |

Source: Teagasc National Farm Survey 2020

3. Variation in Financial Performance

Table 5 summarises the 2020 Teagasc NFS results for single suckling farms classified on the basis of gross margin per hectare; the best performing one-third of farms (Top), the middle one-third (Middle) and the poorest performing one-third (Bottom).

Table 5: Profit per hectare for Top, Middle and Bottom one-thirds of farms in 2020

| | Top | Middle | Bottom |
|--------------------------------|-------|--------|--------|
| Stocking rate (LU/hectare) | 1.75 | 1.38 | 1.11 |
| % of Farms on Very Good soils | 65 | 42 | 22 |
| Gross Output (€/hectare) | 1,406 | 895 | 641 |
| Concentrates (€/hectare) | 174 | 119 | 148 |
| Pasture and Forage (€/hectare) | 288 | 246 | 233 |
| Other Direct Costs (€/hectare) | 156 | 93 | 92 |
| Gross Margin (€/hectare) | 788 | 437 | 168 |

Source: Teagasc National Farm Survey 2020

Table 5 shows the broad variation in gross output per hectare on Irish single suckling across the three groups, with gross output on the Top performing farms being €1,406 per hectare and only €641 per hectare for the Bottom performing group. The gross margin (€ per ha) earned is over 4 times higher on the Top performing group of farms as compared to the average gross margin earned by the Bottom group of farms. The variation in expenditure on feed across the three groups of farms is less marked than the variation in gross output. It is evident that a higher proportion of the Middle and Top performing single suckling farms have a superior soil type.

The average sale and purchase prices recorded for the various animal types on the Top, Middle and Bottom single suckling farms are presented in Table 6. It is evident from Table 6 that average finished sales prices are higher for the Top performing group relative to the Middle and Bottom performing groups. A similar pattern is evident in relation to weanling prices. Sales prices for store animals are similar for the Top and Middle performing groups.

Table 6: Average sale price (€ per head) for Top, Middle and Bottom one-thirds of farms 2020

| | Top | Middle | Bottom |
|------------------------|-------|-------------------|--------|
| | | € per head | |
| Weanlings Sales | 845 | 800 | 798 |
| Male Stores Sales | 1,008 | 1,014 | 917 |
| Female Stores Sales | 950 | 949 | 905 |
| Finished Males Sales | 1,465 | 1,336 | 1,382 |
| Finished Females Sales | 1,316 | 1,228 | 1,221 |

Source: Teagasc National Farm Survey 2020

4. Variation in Technical Performance

The proportion of Single Suckling farms attaining the Teagasc 2025 Sectoral Road Map Targets in 2019 and 2020 is set out in Table 7. There was some improvement over the period 2019/2020 in the proportion of farms reaching the gross output, gross margin and net margin targets set out in Teagasc's 2025 Road Map. For instance, the proportion of farms earning a net margin greater than €110 per hectare increased by 10 percentage points year-on-year. There has been a dis-improvement in the proportion of farms meeting the threshold relating to concentrate usage per LU of less than 390 kg per LU. The proportion of farms meeting this target fell by 3 percentage points between 2019 and 2020.

Table 7: Percentage of farms achieving selected Teagasc Cattle 2025 Road Map Targets

| | % of farms 2019 | % of farms 2020 |
|---|-----------------|-----------------|
| Gross Output per hectare > €1,106 | 30 | 34 |
| Gross Margin per hectare > €553 | 28 | 29 |
| Net Margin per hectare > €110 | 22 | 32 |
| Concentrate per Livestock Unit < 390 kg | 66 | 63 |

Source: Teagasc National Farm Survey 2020

Table 8 shows an increase in the share of farms in the higher part of the gross margin distribution in 2020 relative to 2019. In 2020, there was a 9 percentage point increase in the proportion of single suckling farms with a gross margin per hectare exceeding €500 per hectare.

Table 8: Distribution of gross margin per hectare 2019 and 2020

| Gross Margin | % of farms 2019 | % of farms 2020 |
|-----------------------|-----------------|-----------------|
| <€0 per hectare | 3 | 5 |
| €0-€150 per hectare | 10 | 5 |
| €150-€300 per hectare | 25 | 22 |
| €300-€500 per hectare | 30 | 27 |
| >€500 per hectare | 32 | 41 |

Source: Teagasc National Farm Survey 2020

For further information on this publication or other Teagasc National Farm Survey Publications please contact NFS@teagasc.ie