Teagasc National Farm Survey 2016

Single Suckling Enterprise

The 2016 Teagasc National Farm Survey (NFS) recorded data on 861 farms, 297 of which were single suckling farms. The full financial results for these farms are available in the Teagasc NFS 2016 Report which is available to download at www.teagasc.ie/publications. The performance of the single suckling enterprise in 2016 is summarised here and relates to those herds with greater than 10 cows. Single Suckling is the predominant cattle system in Ireland, operated on over 35,500 farms.

1. Analysis of Financial Performance

The profit figures reported here exclude all decoupled payments and the costs relating to family labour. Gross output declined marginally (-1%) on single suckling farms in 2016 to €913 per hectare on average. This decline, alongside a 5% increase in direct costs, led to a 7% reduction in gross margin on a per hectare basis on average in 2016. Although energy and fuel costs increased by 10% year-on-year, total fixed costs declined by 2% due to a reduction in other fixed cost components. Overall, net margin per hectare declined marginally to -€8 per hectare on average in 2016 on single suckling farms.

Table 1: Average gross and net margin € per hectare in 2015/2016: Single Suckling

	2015	2016	2016/2015 % change
Gross Output	**920**	**913**	**-1**
Concentrate Costs	125	127	+2
Pasture and Forage Costs	235	245	+4
Other Direct Costs	96	108	+13
Total Direct Costs	456	481	+5
Gross Margin	**464**	**432**	**-7**
Energy and Fuel	98	108	+10
Other Fixed Costs	348	332	-5
Total Fixed Costs	447	440	-2
Net Margin	**18**	**-8**	**n/a**

Despite cost savings on a per cow basis, gross margin per cow declined by 11% in 2016 to an average of €502 as illustrated in Table 2. Similarly, net margin per cow dis-improved to -€28 per cow in 2016.

Table 2: Average, gross and net margin € per cow in 2015/2016: Single Suckling

	2015	2016	2016/2015 % change
Gross Output	**1,131**	**1,071**	**-5**
Total Direct Costs	568	569	-
Gross Margin	**563**	**502**	**-11**
Total Fixed Costs	563	530	-6
Net Margin	**0**	**-28**	**-**

2. Variation in Production System

2016 data on the various production systems across single suckling farms (weanlings, stores and finished animals) are presented in Table 3. Single suckling to weanling and store systems are more prevalent than suckling to finishing, although the latter is relatively more profitable, as is evident from the table where the highest gross margin per hectare value is reported. A higher stocking rate and superior soil quality is also reported on finishing farms.

Table 3: Variation in gross margin per hectare by production system 2016: Single Suckling

	Weanling	Store	Finishing
% of Farms in production system	34	34	22
Stocking rate (Livestock units per hectare)	1.25	1.46	1.60
% of Farms on Very Good Soils	40	42	66
Gross Output (€/hectare)	**814**	**919**	**1,053**
Total Direct Costs (€/hectare)	441	459	564
Gross Margin (€/hectare)	**373**	**459**	**488**

Table 4 below indicates that animal sales prices across all categories except female stores declined in 2016 on average.

Table 4: Average animal sales prices in 2015 and 2016

	2015	2016	2016/2015 % change
Weanlings	755	736	-3
Male Stores	980	936	-4
Female Stores	913	910	-
Finished Males	1,554	1,477	-5
Finished Females	1,365	1,327	-3

3. Variation in Financial Performance

Table 5 summarises results for 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 2016

	Top	Middle	Bottom
Stocking rate (LU/hectare)	1.76	1.40	1.08
% of Farms on Very Good soils	75	45	23
Gross Output (€/hectare)	**1,312**	**877**	**562**
Concentrates (€/hectare)	140	115	128
Pasture and Forage (€/hectare)	276	243	218
Other Direct Costs (€/hectare)	137	103	87
Gross Margin (€/hectare)	**759**	**416**	**130**

A broad variation in gross output per hectare is evident across the groupings, with the Top performing farms reporting a figure of €1,312 per hectare compared to €562 for the Bottom performing group. Gross margin (€ per ha) is almost 6 times higher on the Top performing farms compared to those farms at the opposite end of the spectrum. The variation in expenditure on feed is less marked, although it is evident that a higher proportion of the Top performing farms have a superior soil type. The average sale and purchase prices recorded for the various animal types on the Top, Middle and Bottom farms are presented in Table 6.

Table 6: Average sale price € per head of animal for Top, Middle and Bottom one-thirds of farms 2016

	Top	Middle	Bottom
Weanlings Purchases	900	813	743
Male Stores Purchases	1,065	1,023	900
Female Stores Purchases	1,069	988	893
Finished Males Sales	1,486	1,518	1,420
Finished Females Sales	1,353	1,279	1,279

4. Variation in Technical Performance

The proportion of Single Suckling farms attaining the Teagasc 2025 Sectoral Road Map Targets in 2015 and 2016 are set out in Table 6. Although there was an improvement over the period 2015/2016 in the proportion of farms reaching the gross output thresholds set out, the proportion of farms earning greater than €492 per hectare declined year-on-year. There is also scope for improvement with regard to liveweight output and spring calving across farms based on the 2016 data.

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

	2015	2016
Liveweight output per hectare > 580kg	20	17
Calving > 52% of herd in Feb/Mar	27	19
Gross Output per hectare > €1,017	33	35
Gross Margin per hectare > €492	42	37

Table 8 indicates that there was a decline in the proportion of farms in the higher gross margin groupings in 2016 relative to 2015. As a result, a 4 percentage point increase in the proportion of farms earning less than €150 gross margin per hectare is evident.

Table 8: Distribution of gross margin € per hectare: 2015/2016

Gross Margin	% of farms 2015	% of farms 2016
<0	3	4
0-150	9	13
150-300	18	16
300-500	31	30
>500	39	37

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