



**AGRICULTURE AND FOOD DEVELOPMENT AUTHORITY**

The Irish Agriculture and Food Development Authority

# **Teagasc National Farm Survey**

## **Preliminary Results**

### **2017**

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Athenry, Co. Galway.





## Outline

1. Family Farm Income Definition
2. Overview of Farm Income Results 2017
  - Farm Systems Analysis
  - Income Distribution
  - Regional Results
3. Spotlight on Dairy
4. Receipt of Direct Payments 2017
5. Investment & Borrowings
6. Farm Demographics
7. Farm Viability
8. Conclusion

### Family Farm Income 2017 - € per farm

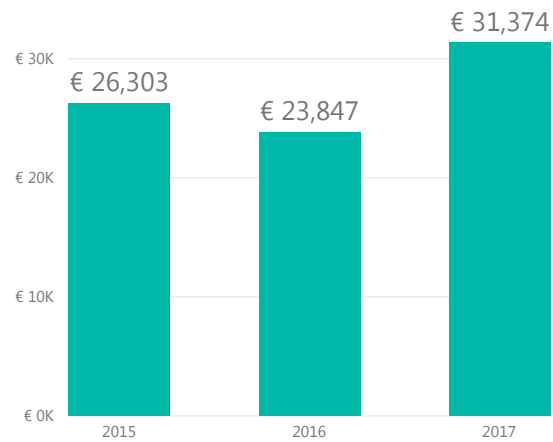
€ 31,374

FFI

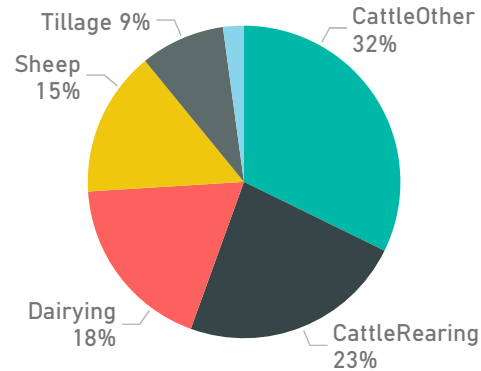
### Family Farm Income Definition

Calculated by deducting all farm costs from total gross output. Family labour is not included as a cost so FFI is the return to family labour, management and investment.

### Family Farm Income 2015-2017



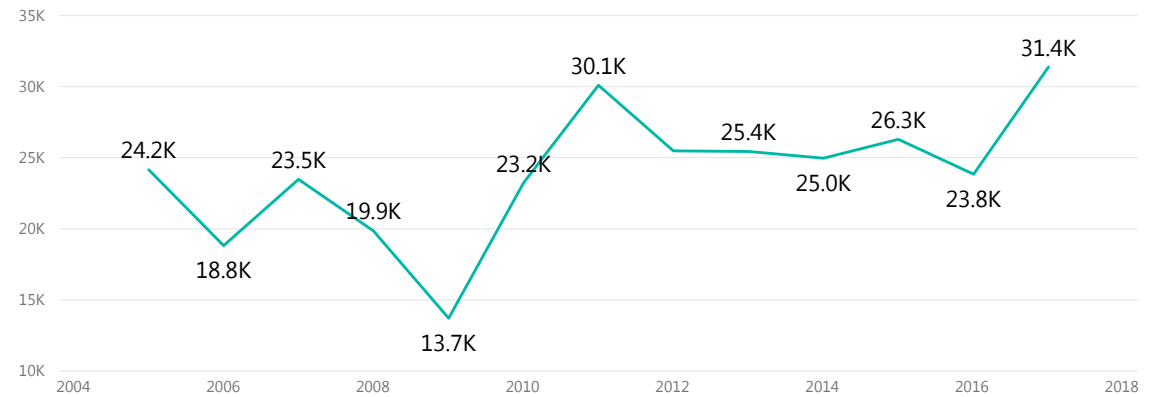
### Population by FarmSystem



### Breakdown of the NFS Farm Population

FarmSystem	Population
CattleOther	27,286
CattleRearing	19,691
Dairying	15,639
Sheep	12,758
Tillage	7,387
MixedLivestock	1,838
<b>Total</b>	<b>84,599</b>

### Family Farm Income (€) 2005 - 2017



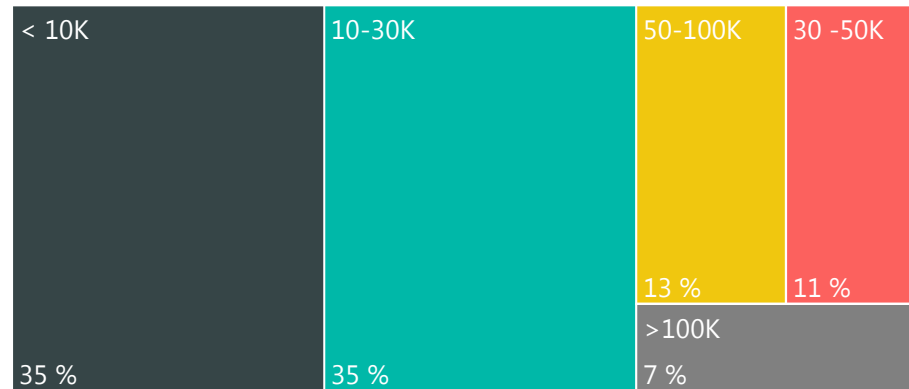
Family Farm Income Distribution 2017

35% earn less than €10,000

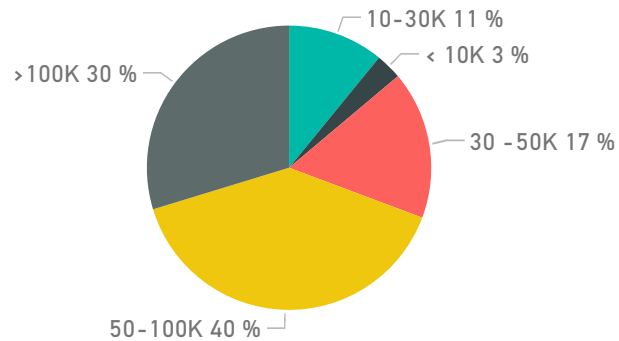
7% of farms earn in excess of €100,000

Major differences accross Farming Systems

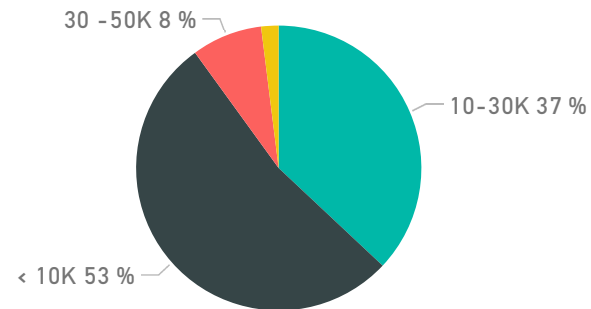
Income Distribution 2017 - All Farm Systems



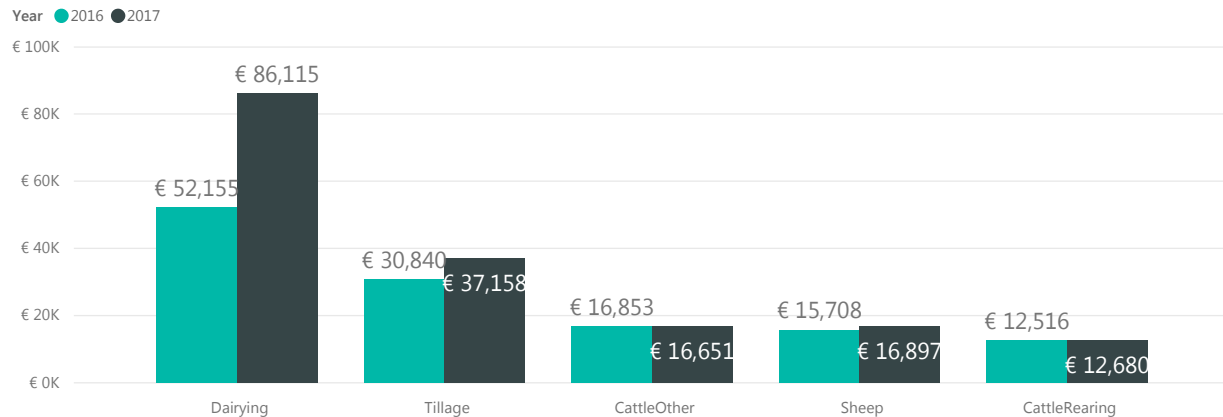
Income Distribution Dairy Farms 2017



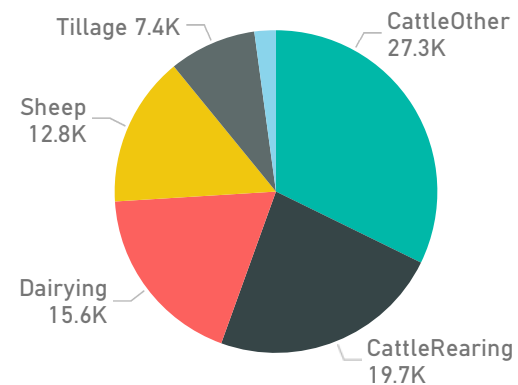
Income Distribution Cattle Rearing Farms 2017



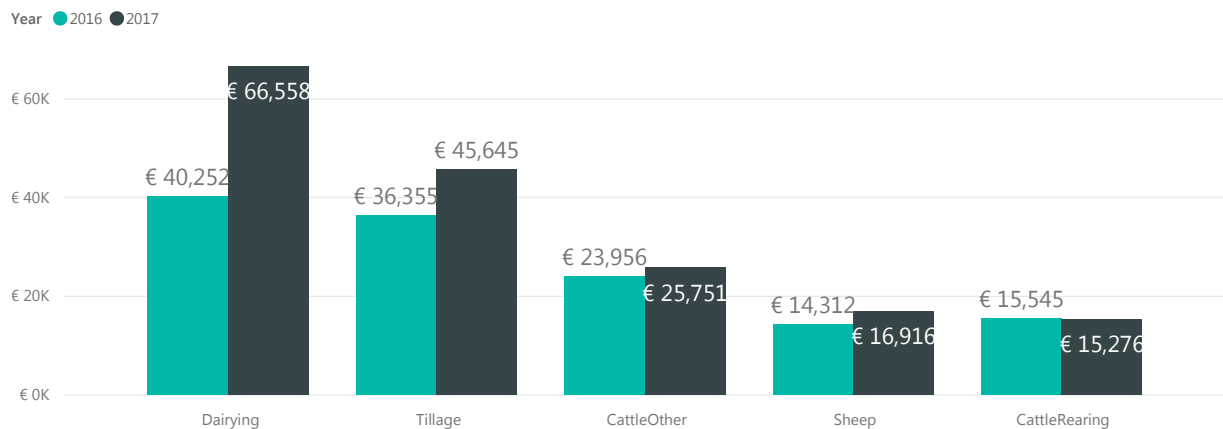
### Family Farm Income per Farm by System 2016-2017



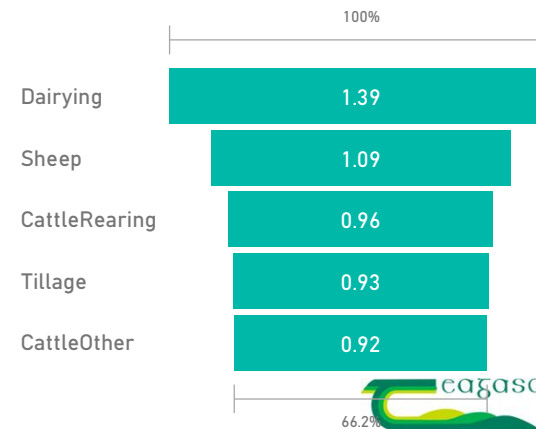
### Population by Farm System 2017



### Family Farm Income per Annual Work Unit by System 2016-2017



### Family Labour Units by Farm System 2017



### Northern & Western

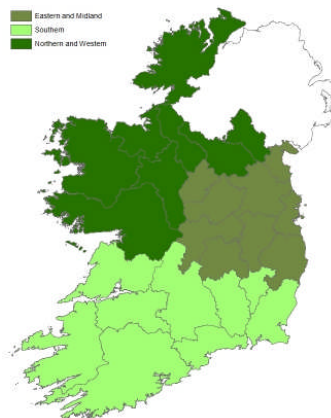
FarmSystem	Population	U.A.A	FFI	FFI per ha
AllFarms	29,789	35.8	€ 16,164	€ 440
CattleOther	9,800	29.9	€ 12,436	€ 407
CattleRearing	9,643	32.3	€ 9,881	€ 310
Dairying	2,229	49.6	€ 62,860	€ 1,228
Sheep	7,750	41.5	€ 14,640	€ 418
Tillage	170	82.8	€ 24,760	€ 393

### Southern

FarmSystem	Population	U.A.A	FFI	FFI per ha
AllFarms	38,027	49.9	€ 41,499	€ 841
CattleOther	10,133	41.9	€ 19,789	€ 502
CattleRearing	7,834	35.7	€ 14,394	€ 387
Dairying	11,478	55.8	€ 87,270	€ 1,623
Sheep	3,445	69.9	€ 18,532	€ 520
Tillage	4,096	58.4	€ 30,542	€ 563

### New NUTS Regions - Jan 2018

Geographical Classification for sub-division of EU countries  
 Change from 2 to 3 Regions for Ireland:  
 Eastern & Midland / Northern & Western / Southern



### Eastern & Midland

FarmSystem	Population	U.A.A	FFI	FFI per ha
AllFarms	17,028	49.8	€ 34,012	€ 597
CattleOther	6,917	39.5	€ 16,571	€ 362
CattleRearing	2,650	41.6	€ 18,136	€ 433
Dairying	1,932	65.2	€ 105,753	€ 1,650
Sheep	2,346	45.8	€ 22,621	€ 541
Tillage	2,799	69.2	€ 45,535	€ 618

FarmSystem

All







Focus on Dairy





## Dairying System Results National

Average Dairy Farm Income 2017 - € per Farm

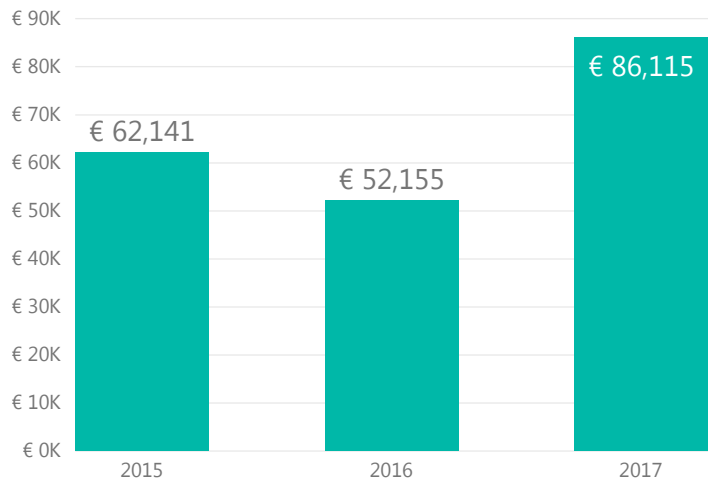
**€ 86,115**

FFI

FFI (€) per Cow

**€ 1,136**

### Dairying Income € 2015-2017



### Farm Investment (€) 2017 per Farm

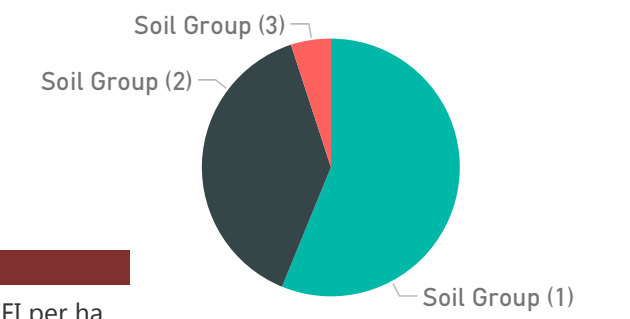
**€ 25,118**

Gross New Investment

### Output & Margin cent per litre of milk 2015-2017

YE_AR	Milk Price	Total Costs	Net Margin
2015	30.93	22.41	9.74
2016	27.88	21.75	6.64
2017	36.89	22.78	14.86

### Soil Types



### Farm Characteristics

Year	Age of Holder	Dairy Cows	Family Labour Units	Total Area	Area Owned	U.A.A	FFI per ha
2017	52	75	1.39	58.6	45.3	56.3	€ 1,545





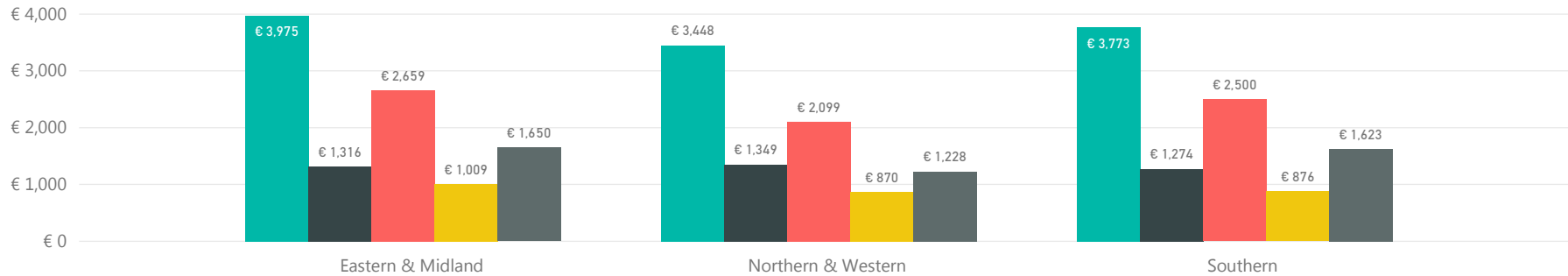
## Dairying System Results National

### Dairy Stocking Rate 2015-2017

YE_AR	Cows per ha - Avg	Cows per ha - Btm	Cows per ha - Mid	Cow per ha - Top
2015	1.98	1.53	2.00	2.45
2016	2.06	1.62	2.03	2.52
2017	2.08	1.66	2.06	2.52

### Financial performance per hectare 2017 by Region

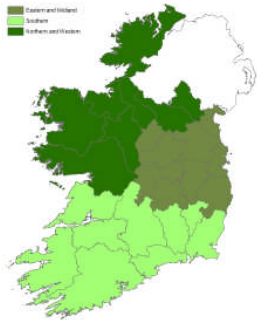
● Gross\_Output\_ha ● Direct\_Costs\_ha ● Gross\_Margin\_ha ● Overhead\_Costs\_ha ● FFI per ha



### Selected Dairy Technical performance Indicators 2015 - 2017

YE_AR	Grazing days	Concentrate Kg per Cow	Milk sales per ha (lt)	Milk Yield per Cow (lt)	Herd SCC	Milk solids per cow (kg)
2015	242	913	10764	5403	181	395
2016	235	932	10994	5303	170	392
2017	235	1027	11352	5436	166	403



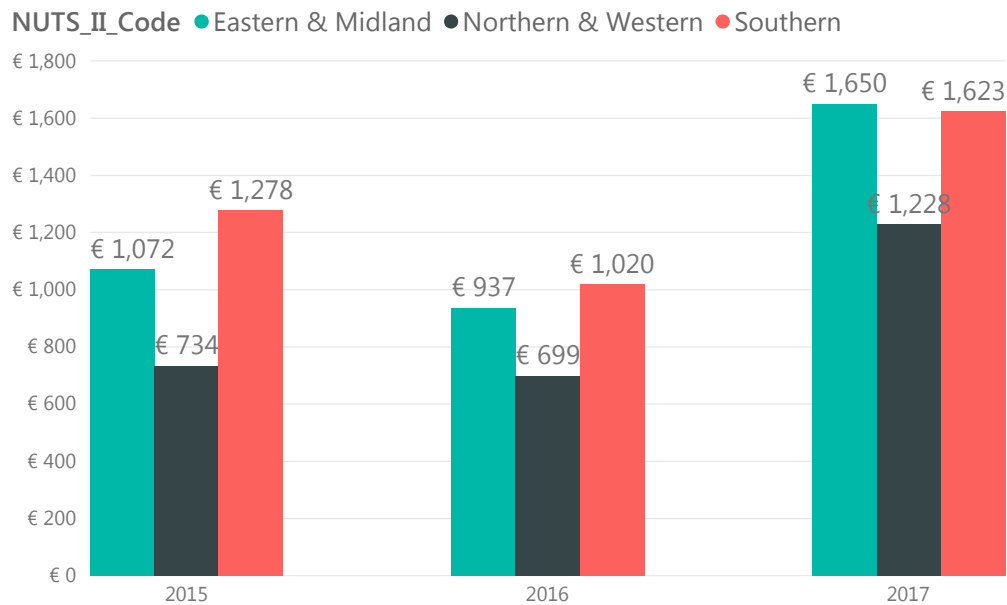


## Dairying System Results Regional Comparison

### Farm Characteristics by Region 2017

NUTS_II_Code	Dairy Cows	Family Labour Units	Total Area	Area Owned	U.A.A	FFI
Eastern & Midland	96	1.27	68.7	50.0	65.2	€ 105,753
Southern	73	1.40	57.4	45.6	55.8	€ 87,270
Northern & Western	63	1.43	52.6	40.3	49.6	€ 62,860

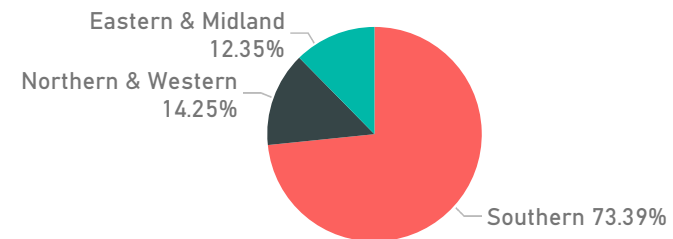
### Dairying Income per ha by Region € 2015-2017

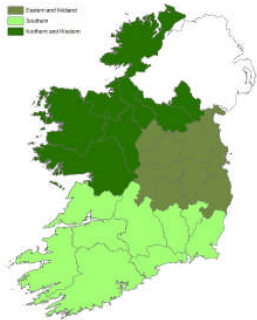


### Change in cow number 2010 -2017

NUTS_II_Code	2010 - CSO	2017 - CSO	% change
Eastern & Midland	161,060	229,600	43 %
National	1,070,755	1,432,700	34 %
Northern & Western	130,711	163,900	25 %
Southern	778,984	1,039,200	33 %

### Dairy Population by Region 2017





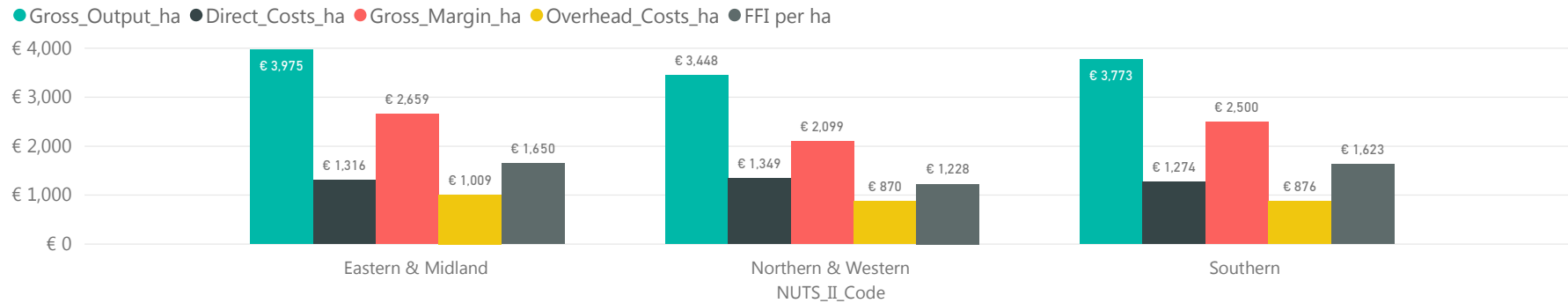
## Dairying System Results

### NUTSII Region

Dairy Stocking Rate	
NUTS_II_Code	Cows per ha - Avg
Southern	2.09
Northern & Western	1.89
Eastern & Midland	2.21

Output & Margin cent per litre of milk		
Milk Price	Total Costs	Net Margin
36.93	21.99	15.61
36.31	25.42	12.17
37.23	23.04	14.62

### Financial performance per hectare 2015-2017



### Selected Dairy Technical performance Indicators

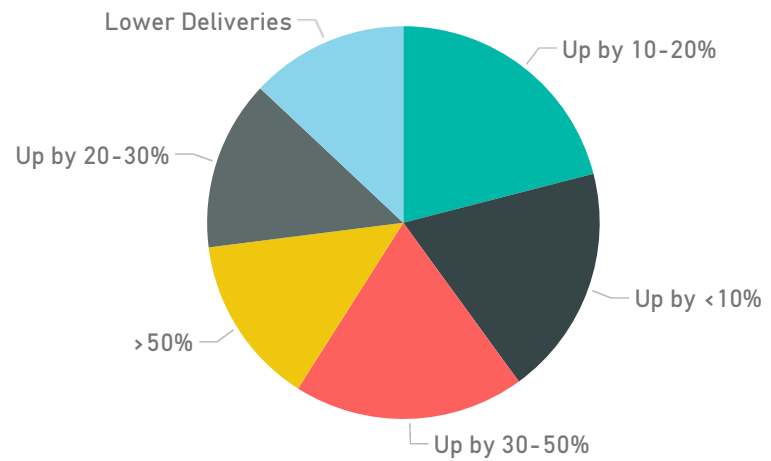
NUTS_II_Code	Grazing days	Concentrate Kg per Cow	Milk sales per ha (lt)	Milk Yield per Cow (lt)	Herd SCC	Milk solids per cow (kg)
Southern	242	941	11490	5468	173	407
Northern & Western	212	1372	10179	5410	154	396
Eastern & Midland	237	981	11855	5353	160	395





## Dairy Expansion Post Quota Removal 2014-2017

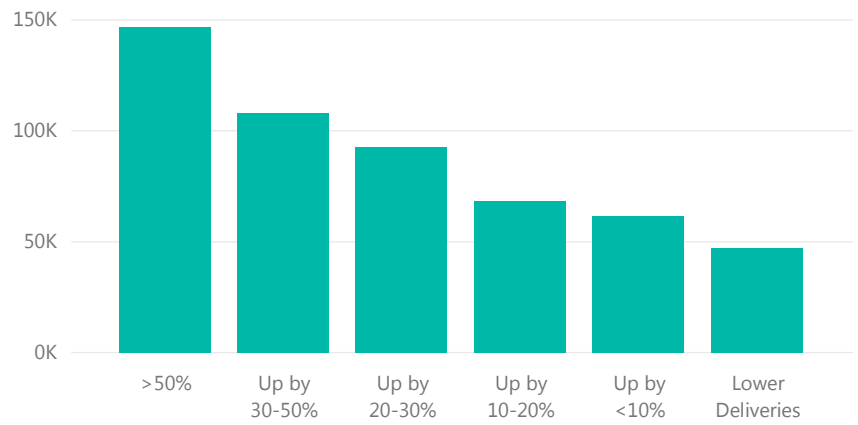
% Change in Milk Supply 2014 -2017



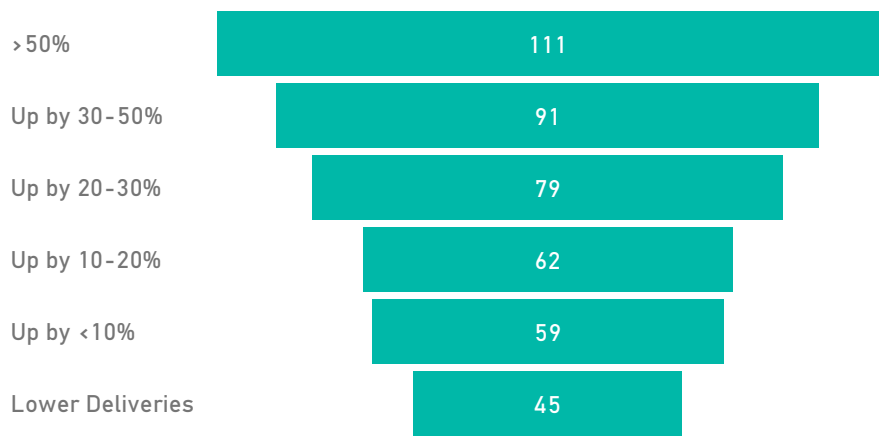


# Dairying Expansion

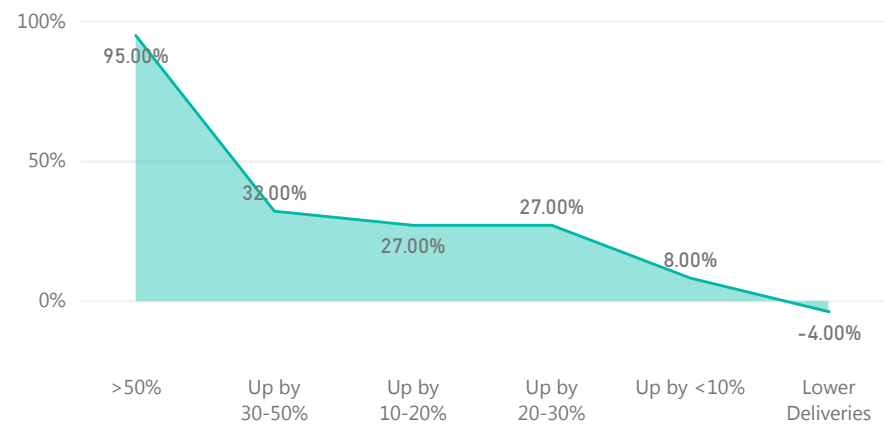
FFI by expansion category 2017



Cow Numbers by expansion category 2017



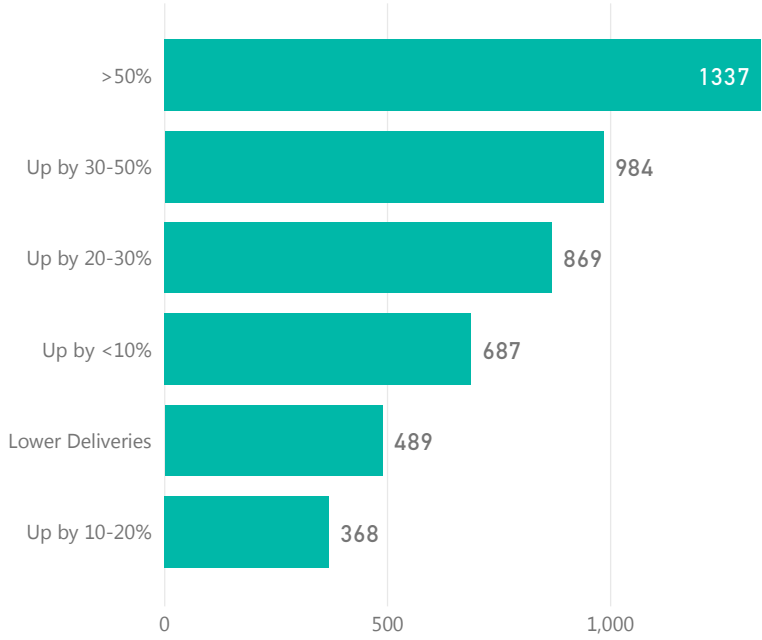
% Change in FFI 2014-2017



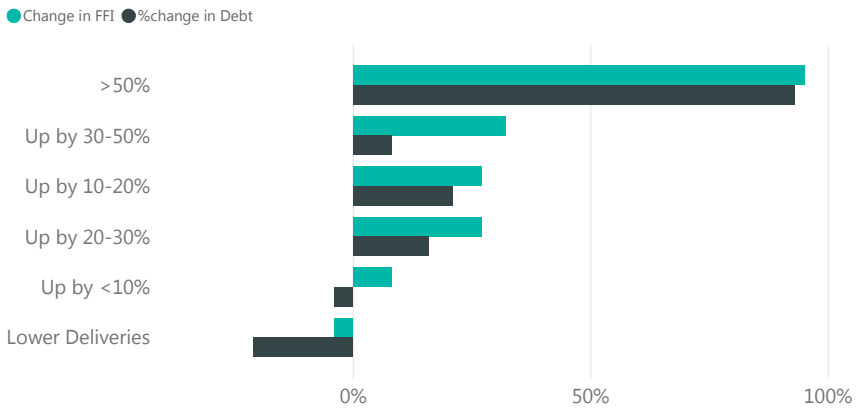


# Funding Dairying Expansion

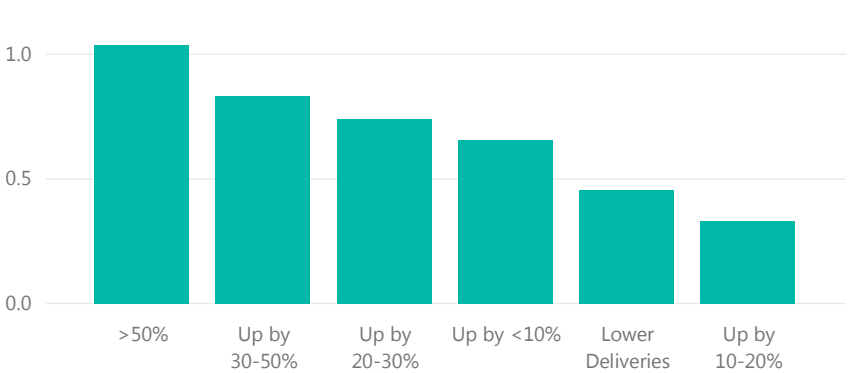
Average Debt per cow (€) by expansion category 2017



% Change in FFI and % change in debt 2014 - 2017



Debt to Income Ratio by expansion category 2017





## Focus on Cattle Farms



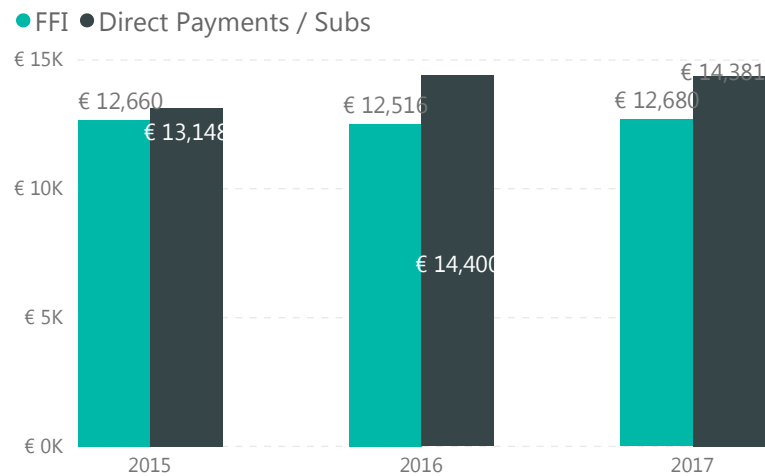


## Cattle Rearing System Results National

Average Cattle Rearing Farm Income 2017 - € per Farm

€ 12,680

### Cattle Rearing Income € 2015-2017



### Main Drivers

Output up 5%

Direct payments - unchanged

Overall Costs up 7%  
 - feed expenditure up 16%  
 - fertiliser expenditure down 2%

Investment down 19%

### Direct payments breakdown

● BPS ● DAS ● GLAS/AEOS ● Sheep Welfare ● BDGP ● Dairy Schemes ● Protein Payment ● Forestry ● KT scheme ● Organics Scheme ● Other

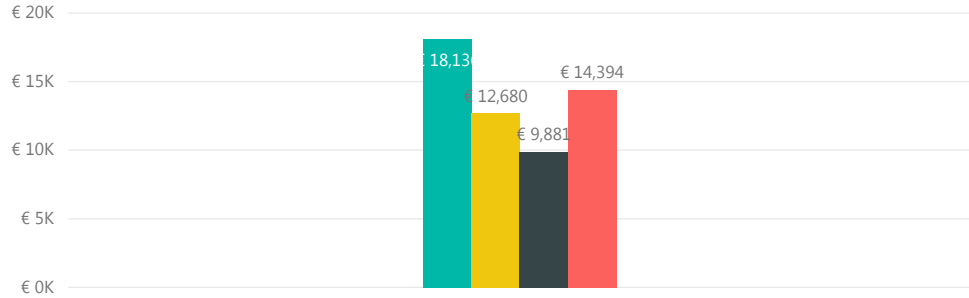




## Cattle Rearing System Results Regional

### Cattle Rearing Income 2017

NUTS\_II\_Code ● Eastern & Midland ● National ● Northern & Western ● Southern



### Farm Characteristics 2017

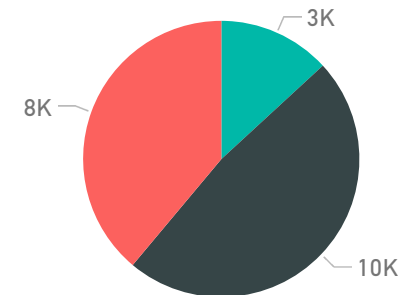
NUTS_II_Code	Age of Holder	Direct Payments / Subs	Direct_Payments_Subs_ha
Southern	61	€ 14,411	€ 406
Eastern & Midland	59	€ 16,775	€ 392
National	56	€ 14,381	€ 421
Northern & Western	49	€ 14,003	€ 447

### Cattle Rearing - Regional Focus 2017

NUTS_II_Code	U.A.A	FFI	FFI per ha
Eastern & Midland	41.6	€ 18,136	€ 433
National	34.8	€ 12,680	€ 353
Northern & Western	32.3	€ 9,881	€ 310
Southern	35.7	€ 14,394	€ 387

### No of Cattle Rearing farms by region 2017

NUTS\_II\_Code ● Eastern & Midland ● Northern & Western ● Southern



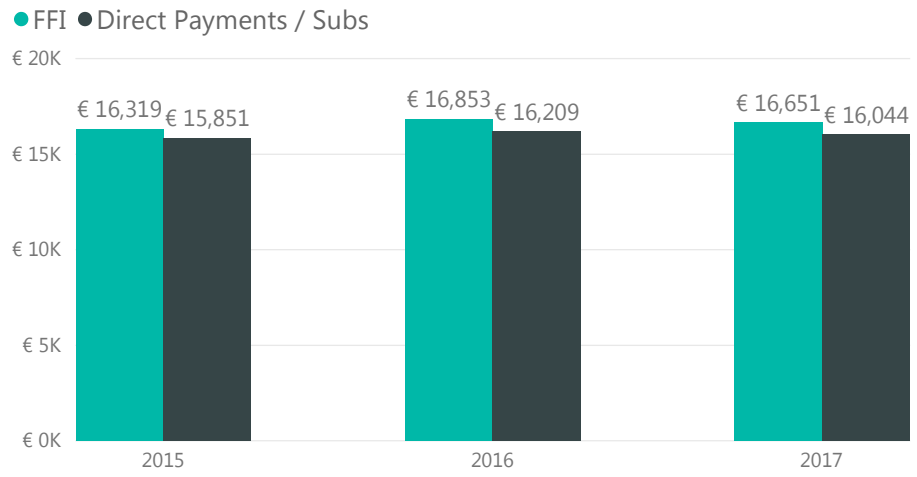


## Cattle Other System Results National

Average Cattle Other Farm Income 2017 - € per Farm

**€ 16,651**

### Cattle Other Income € 2015-2017



### Main Drivers

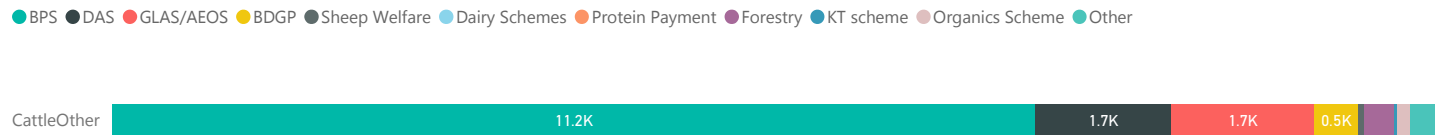
Output unchanged

Direct payments - unchanged  
-BPS down, GLAS is up

Overall Costs unchanged  
- concentrate expenditure up 13%  
- fertiliser expenditure down 8%

Investment down 12%

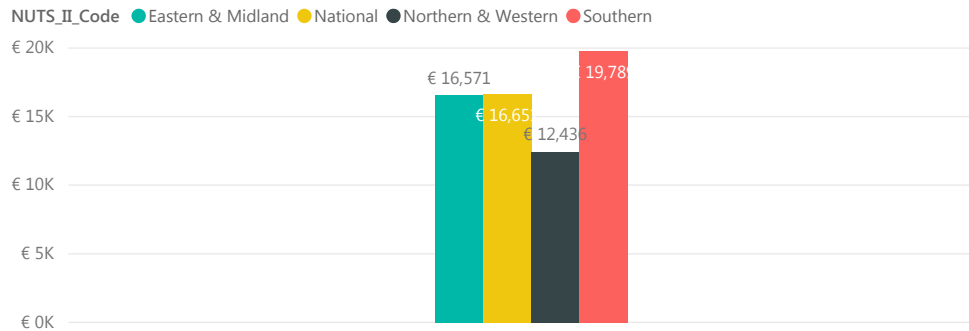
### Direct payments breakdown





## Cattle Other System Results Regional

### Cattle Other Income 2017



### Farm Characteristics

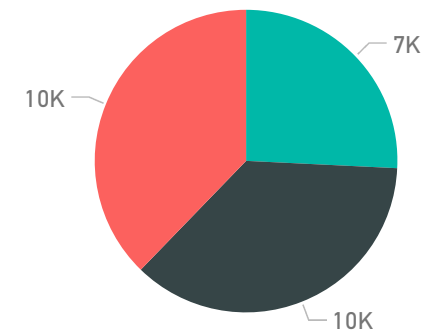
NUTS_II_Code	Age of Holder	Direct Payments / Subs	Direct_Payments_Subs_ha
Eastern & Midland	62	€ 16,232	€ 393
National	58	€ 16,044	€ 437
Northern & Western	50	€ 13,715	€ 458
Southern	60	€ 17,949	€ 458

### Cattle Other- Regional Focus

NUTS_II_Code	U.A.A	FFI	FFI per ha
Eastern & Midland	39.5	€ 16,571	€ 362
National	36.9	€ 16,651	€ 438
Northern & Western	29.9	€ 12,436	€ 407
Southern	41.9	€ 19,789	€ 502

### Cattle Other Population by region 2017

NUTS\_II\_Code ● Eastern & Midland ● Northern & Western ● Southern





Focus on Sheep

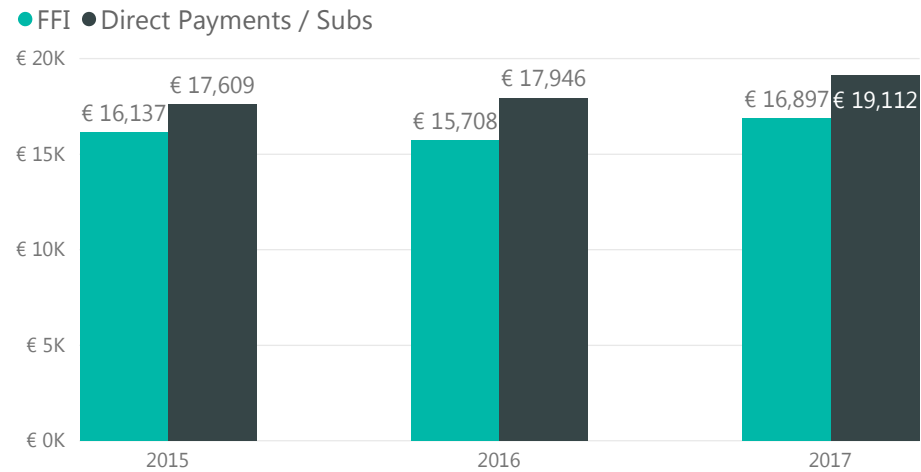


## Sheep System Results National

Average Sheep Farm Income 2017 - € per Farm

€ 16,897

### Sheep system Income € 2015-2017



### Main Drivers

Output unchanged

Direct payments - up 6%  
- New sheep welfare scheme & GLAS

Overall Costs down 4%  
- concentrate expenditure down 7%  
- fertiliser expenditure down 12%

Investment up 37%

### Direct payments breakdown

● BPS ● DAS ● GLAS/AEOS ● Sheep Welfare ● BDGP ● Dairy Schemes ● Protein Payment ● Forestry ● KT scheme ● Organics Scheme ● Other





Focus on Tillage



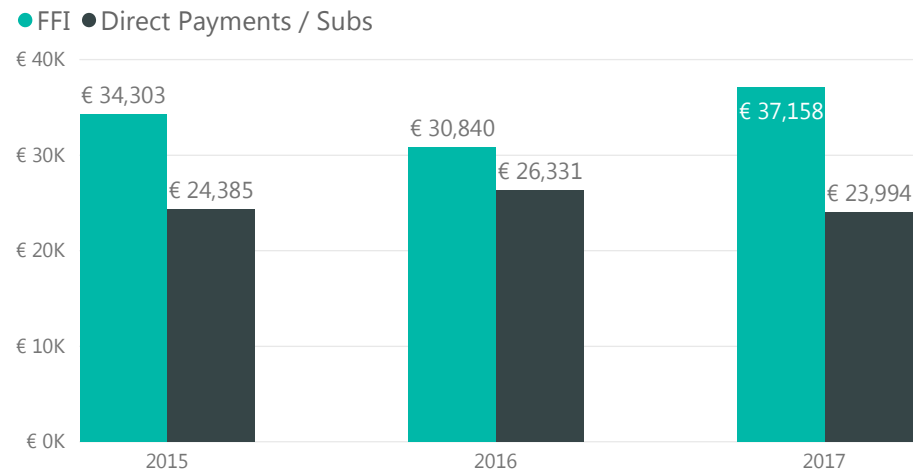


## Tillage System Results National

Average Tillage Farm Income 2017 - € per Farm

**€ 37,158**

### Tillage Income € 2015-2017



### Main Drivers

- Land Area is down per farm
  - lower conacre area
- Improved Prices & yields
- Direct payments - down
- Overall Costs down 15%
  - fertiliser expenditure down
  - crop protection expenditure down
- Investment down significantly

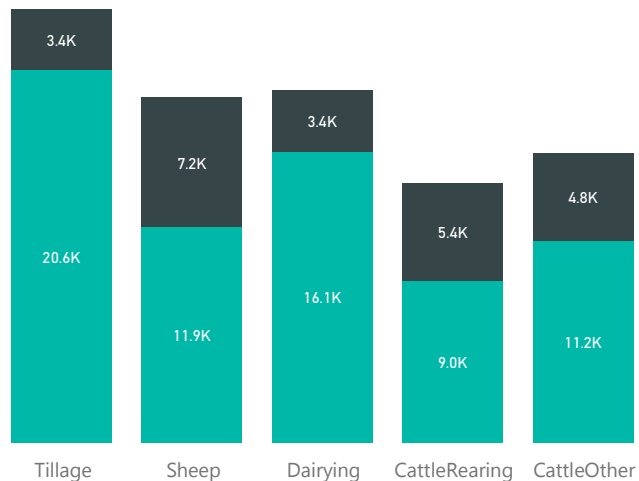
### Direct payments breakdown

● BPS ● DAS ● GLAS/AEOS ● Sheep Welfare ● BDGP ● Dairy Schemes ● Protein Payment ● Forestry ● KT scheme ● Organics Scheme ● Other



### Direct payments breakdown by Pillar 2017

● Pillar I ● Pillar II

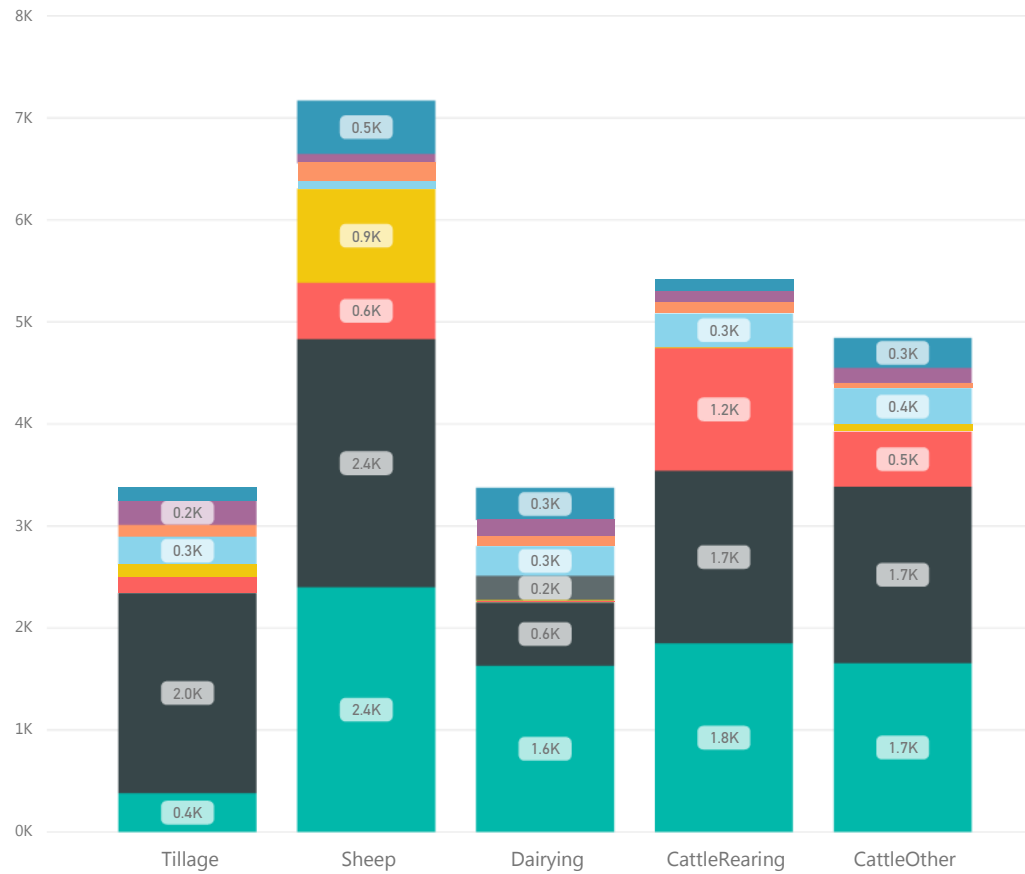


### Direct Payment per hectare 2017

FarmSystem	Direct Payments per Ha
Tillage	€ 392
Sheep	€ 365
Dairying	€ 347
CattleRearing	€ 413
CattleOther	€ 435
AllFarms	€ 390

### Pillar II - Breakdown by Farm System 2017

● DAS ● GLAS/AEOS ● BDGP ● Sheep Welfare ● Dairy Schemes ● Forestry ● KT scheme ● Organics Scheme ● Other



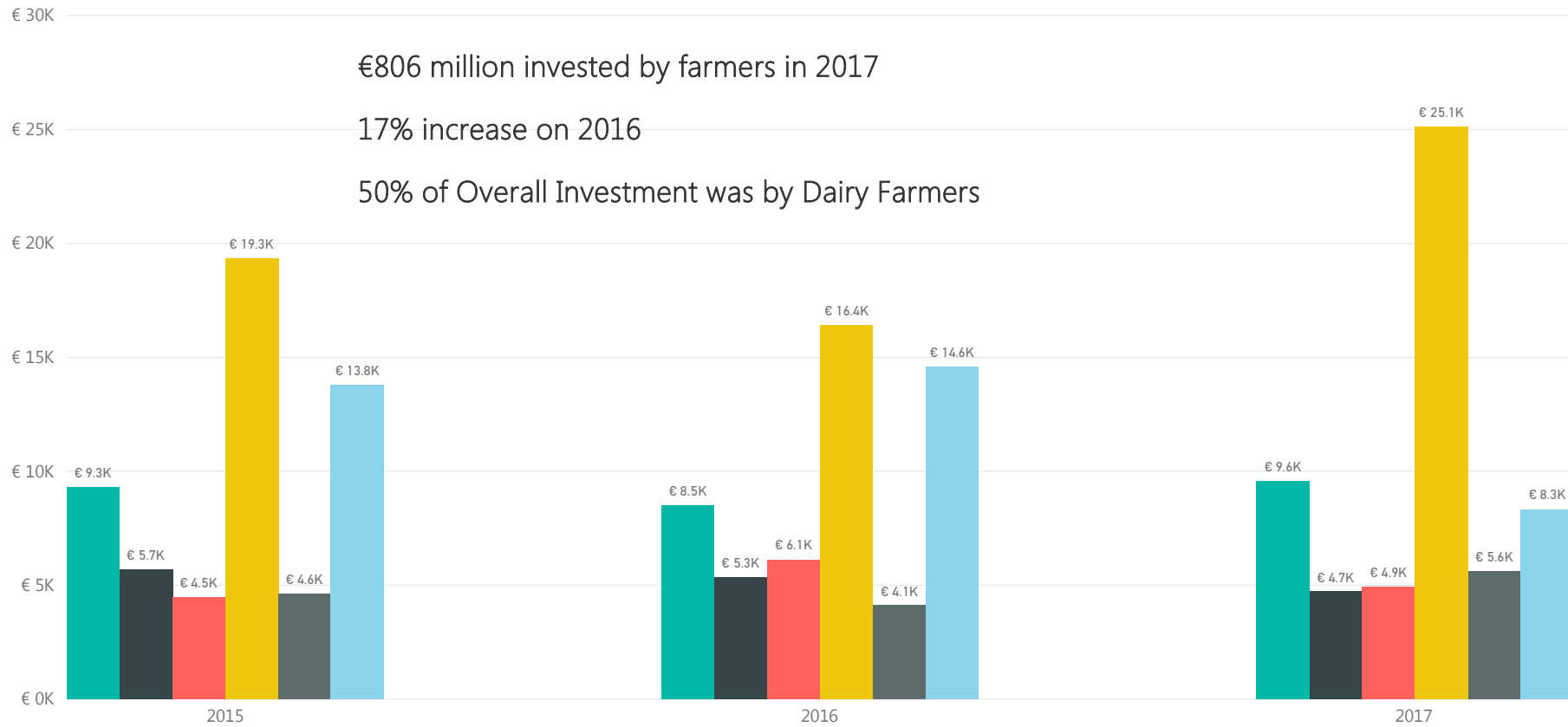


## Farm Investment & Farm Related Debt

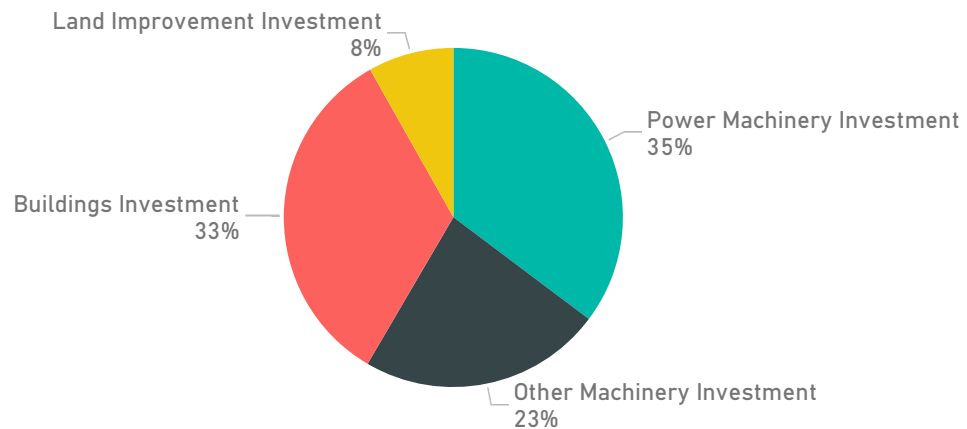


## Gross New Investment by Year - Average by FarmSystem

FarmSystem ● AllFarms ● CattleOther ● CattleRearing ● Dairying ● Sheep ● Tillage

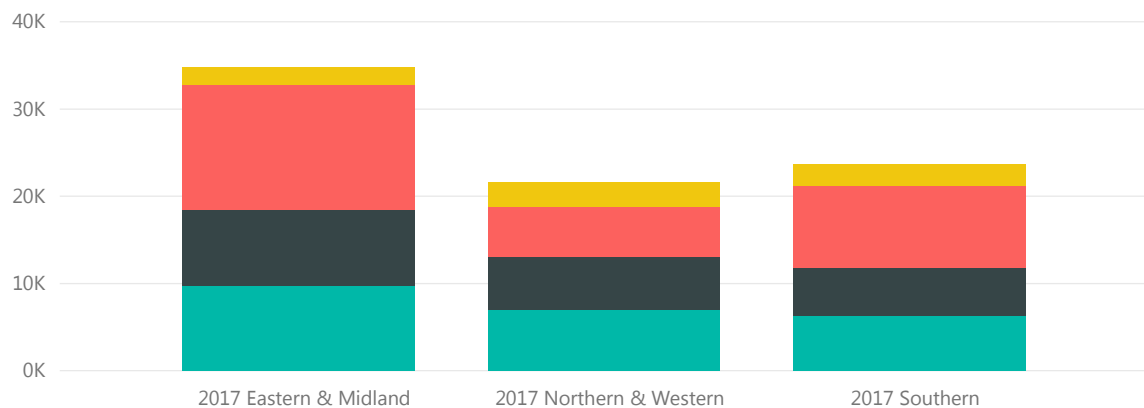


## Investment Type 2017 - All Farms



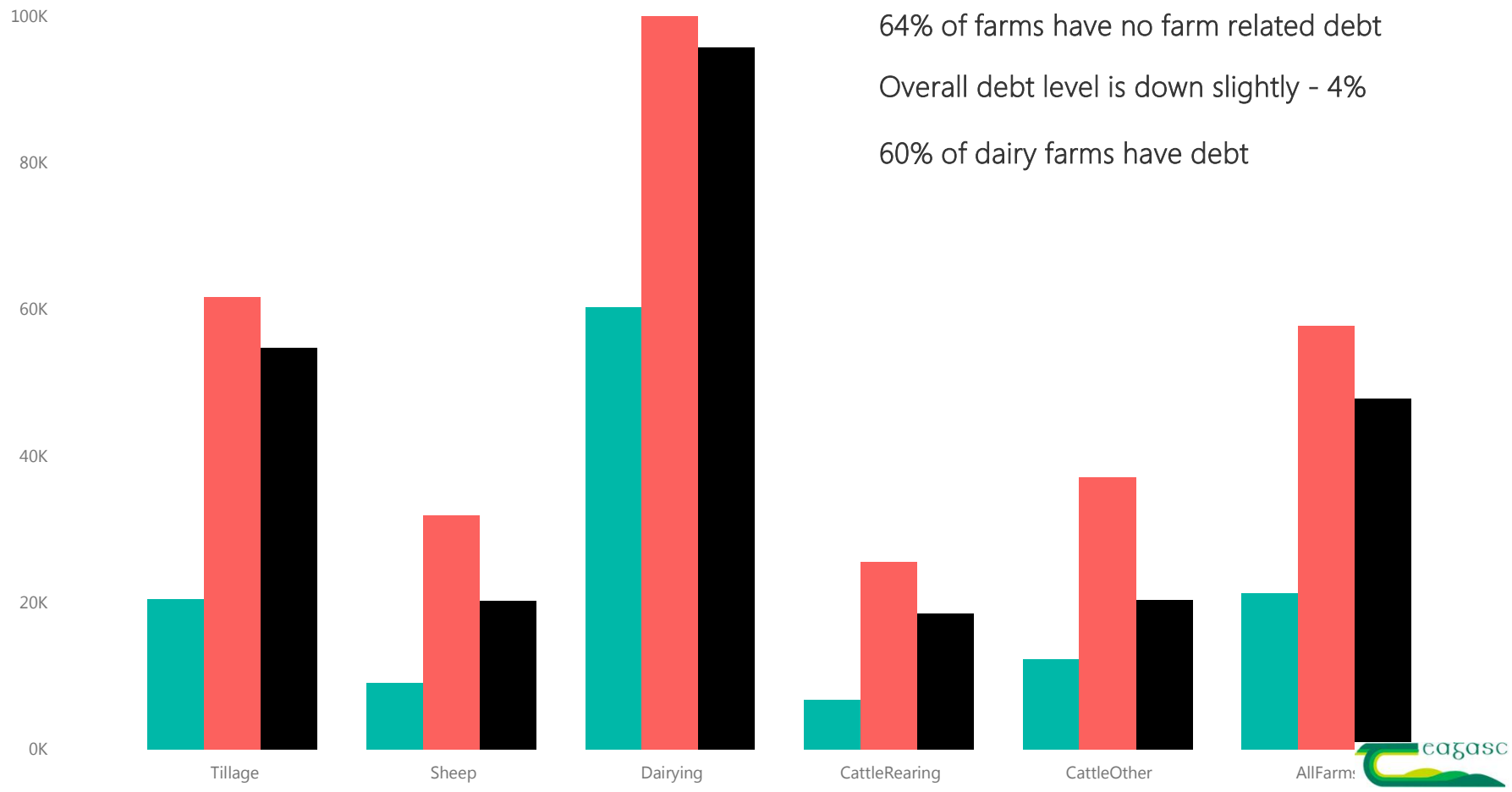
## Investment Type by region 2017 (€)

● Power Machinery Investment ● Other Machinery Investment ● Buildings Investment ● Land Improvement Inv...



### Avg Debt, Farms with Debt and FFI of farms with Debt by FarmSystem

● Avg Debt ● Farms with Debt ● FFI of farms with Debt





## Farm Demographics

Average age of operator is 56

Average Household size 2.8 persons per Household

Largest Household size Dairy farms (3.3)

Smallest CattleOther (2.5)

34% of farms have a Household member aged less than 24

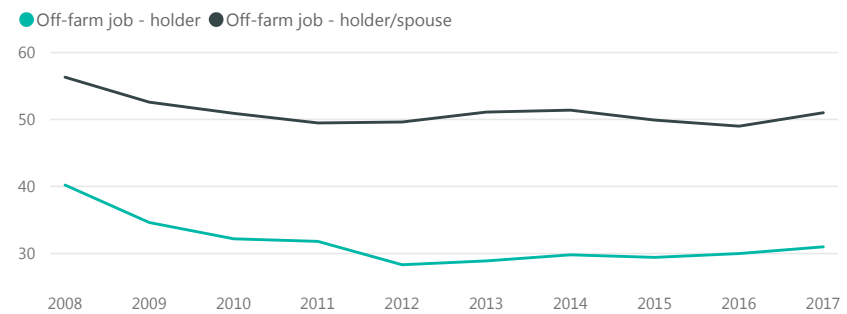
51% of Dairy farms have a Household member less than 24

51% of Households have employment off-farm (holder &/or spouse)

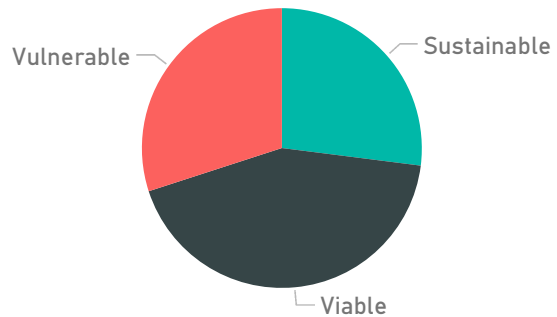
27% of Households in receipt of pension



## Off-farm job - holder and Off-farm job - holder/spouse by Year



### Viability of Irish Farming 2017



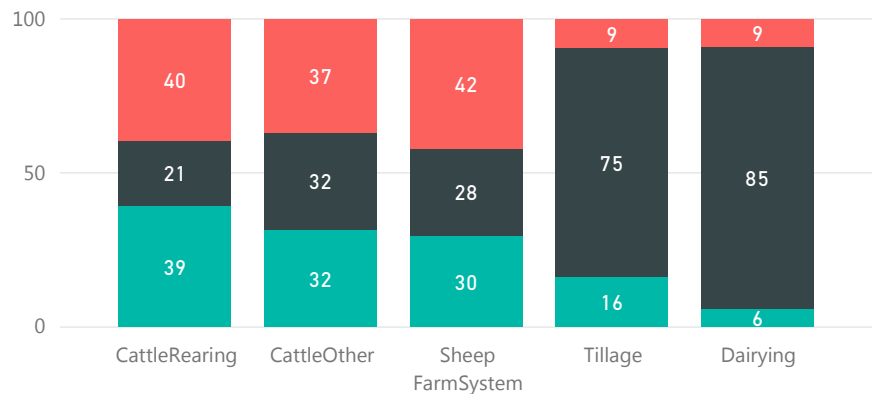
**Viable** A farm business is viable if the farm income can remunerate family labour at the minimum agricultural wage and provide a 5% return on the capital invested in non-land assets.

**Sustainable** If the farm business is not viable the household is still considered sustainable if the farmer or spouse has an off-farm income.

**Vulnerable** A farm household is considered to be economically vulnerable if the farm business is not viable and if neither the farmer nor spouse work off the farm.

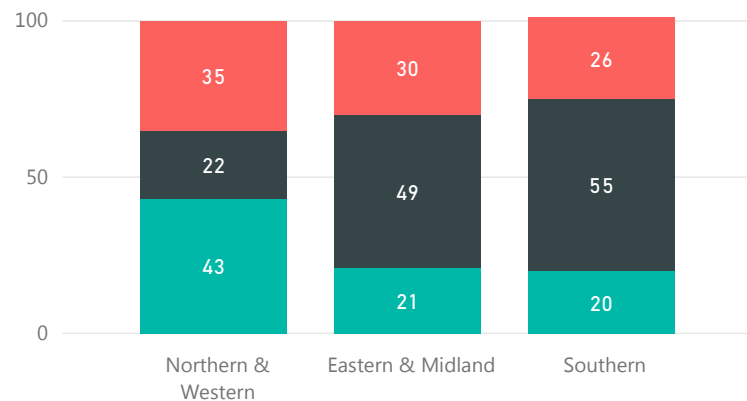
### Farm Viability by Farm System 2017

● Sustainable ● Viable ● Vulnerable



### Farm Viability by Region 2017

● Sustainable ● Viable ● Vulnerable



# Teagasc National Farm Survey 2017

## Average Family Farm Income

**€31,374** Up 32%



Dairy  
65%



Tillage  
20%



Sheep  
8%



Cattle Systems unchanged

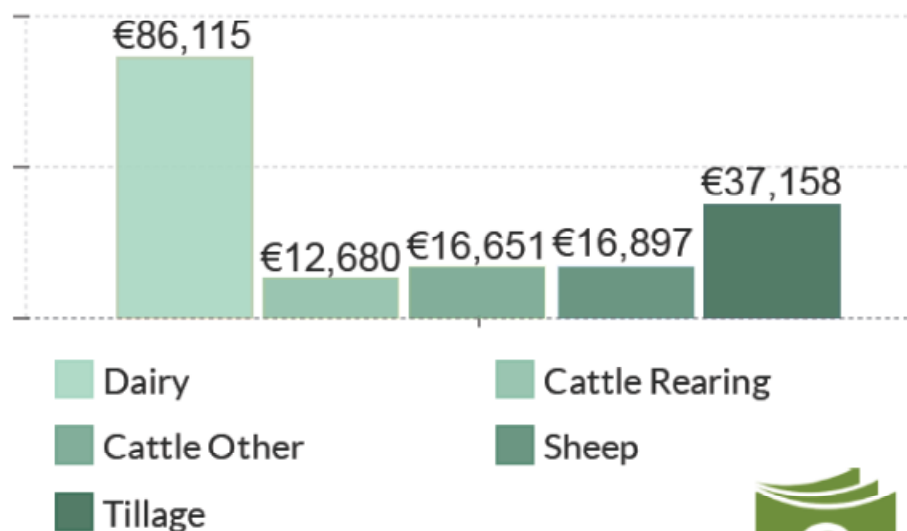


Dairy performance a key driver

**€86,115**

Average dairy farm income

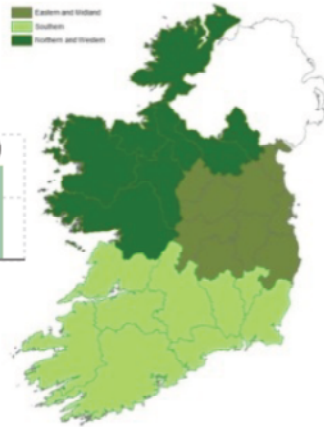
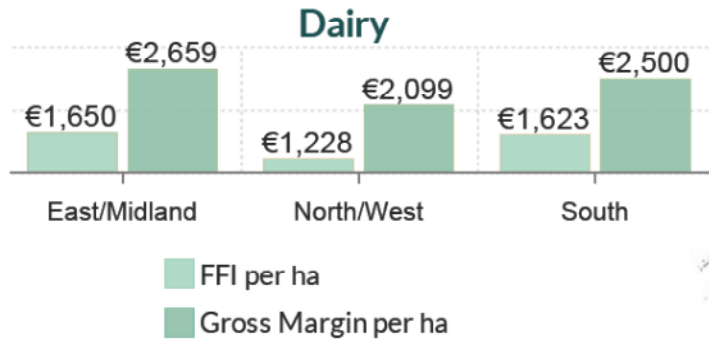
## Family Farm Income by System



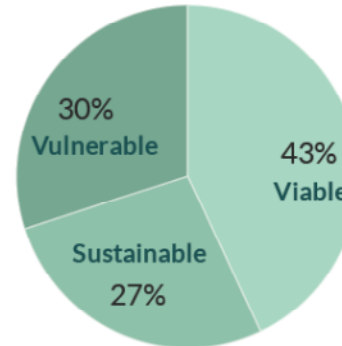
Reductions in fertiliser and feed prices



## Regional analysis



## Farm viability 2017



31% of farmers work off-farm



of farms earned less than €10,000



Income on Sheep farms boosted by Sheep Welfare Scheme



€806m invested on farms in 2017 - up 17%

50%

of farm investment was on dairy farms

The Teagasc National Farm Survey (NFS) has been in operation since 1972 as part of the EU FADN (Farm Accountancy Data Network). The 2017 preliminary results are based on a sample of 800 farms, representing 84,599 farms nationally.

<https://www.teagasc.ie/rural-economy/rural-economy/national-farm-survey/>

