

Taking the Long View: Irish Agricultural Land Use & Economics

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Agricultural Land Use

“Taking the long view, it is changes in the profitability of different types of farming that determine the pattern of land use and the volume and structure of Irish agricultural output.”

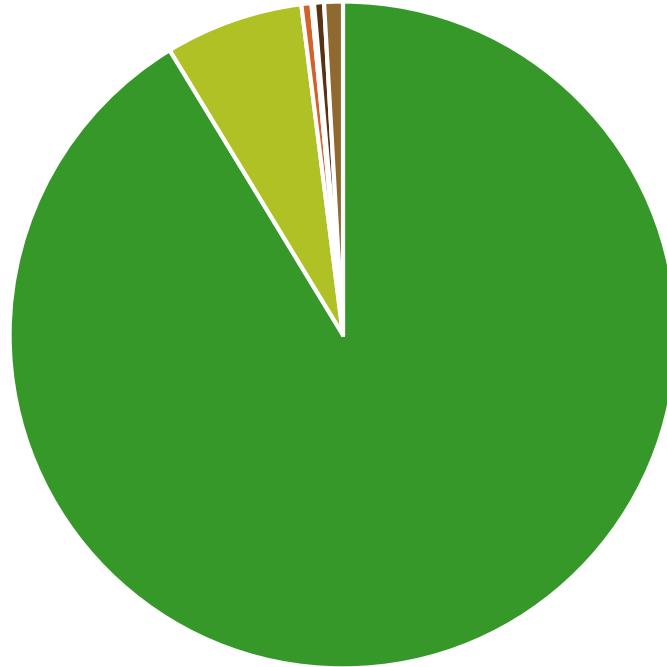
Kennedy and Solar (2007) Irish Agriculture: A Price History

Overview

- Irish Agricultural Land Use
 - where we are now and where we have been
- Land use is influenced by soil, topography and climate
- But ... farmers and farmers' choices are key
- Long run trends in land use
 - Drivers of change largely economic

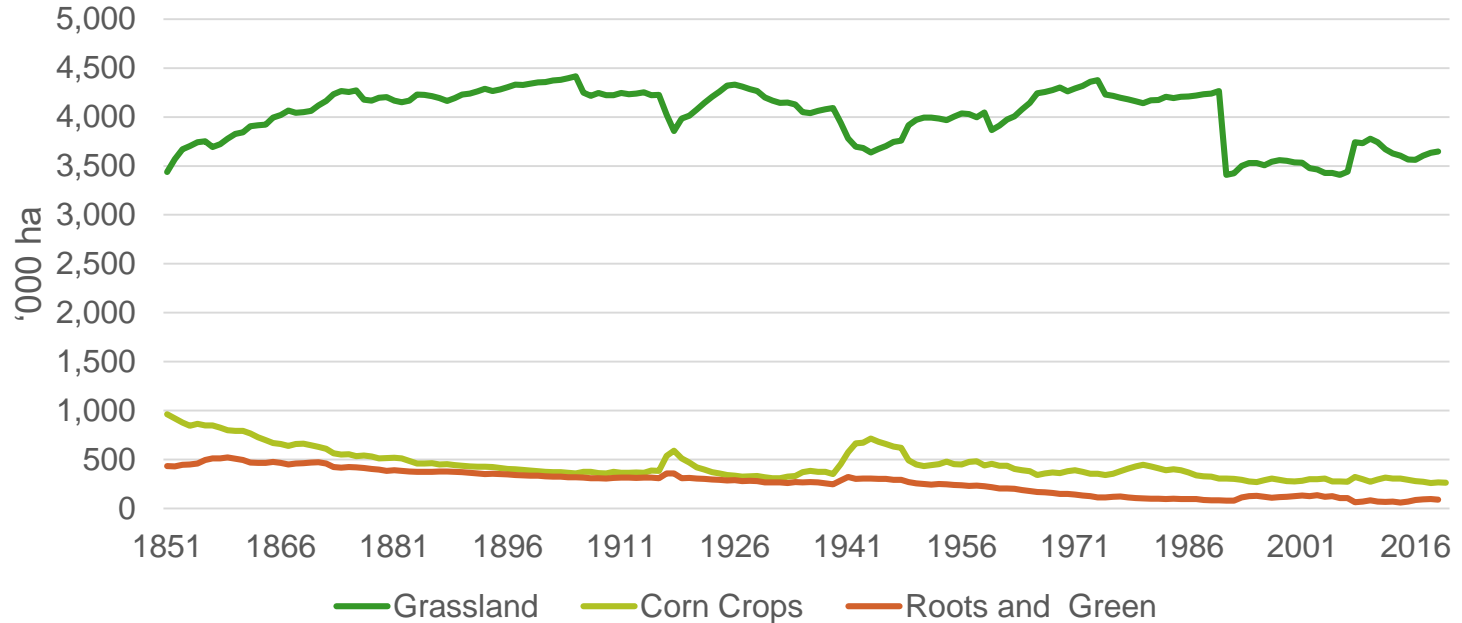
Irish Agricultural Land Use: 2019

- Grassland
- Cereals
- Root Crops
- Fruit&Veg/Nurseries&Horticulture
- Arable & Maize Silage
- Other



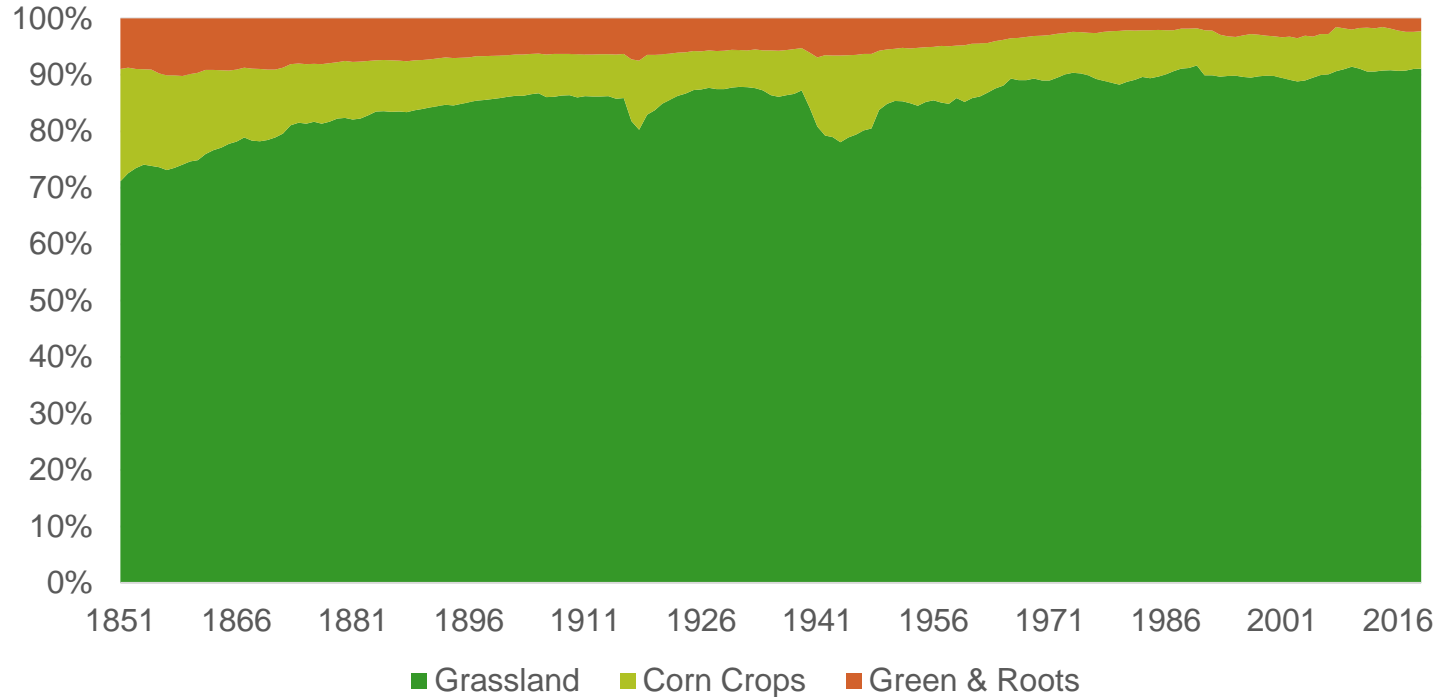
Source: CSO Statbank

Irish Agricultural Land Use 1851-2019



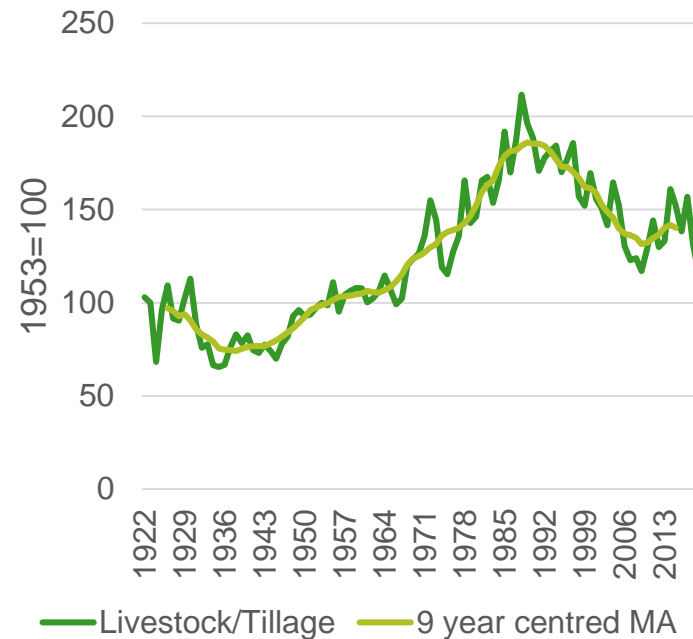
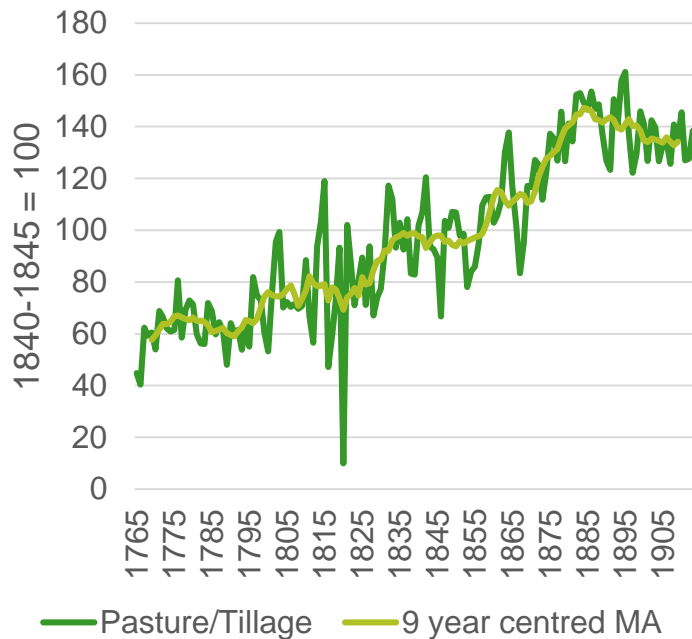
Source: CSO (1997) and CSO Statbank

Irish Agricultural Land Use 1851-2019



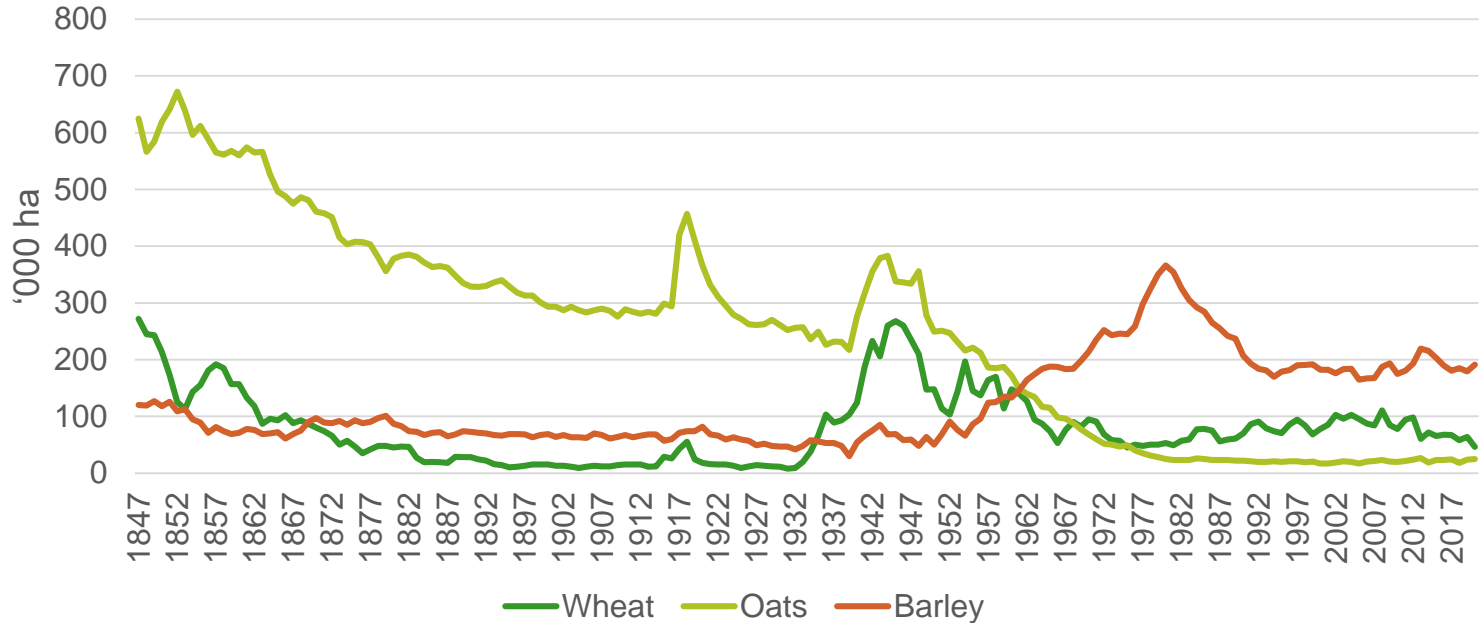
Source: CSO (1997) and CSO Statbank

Relative Profitability: relative output prices proxy



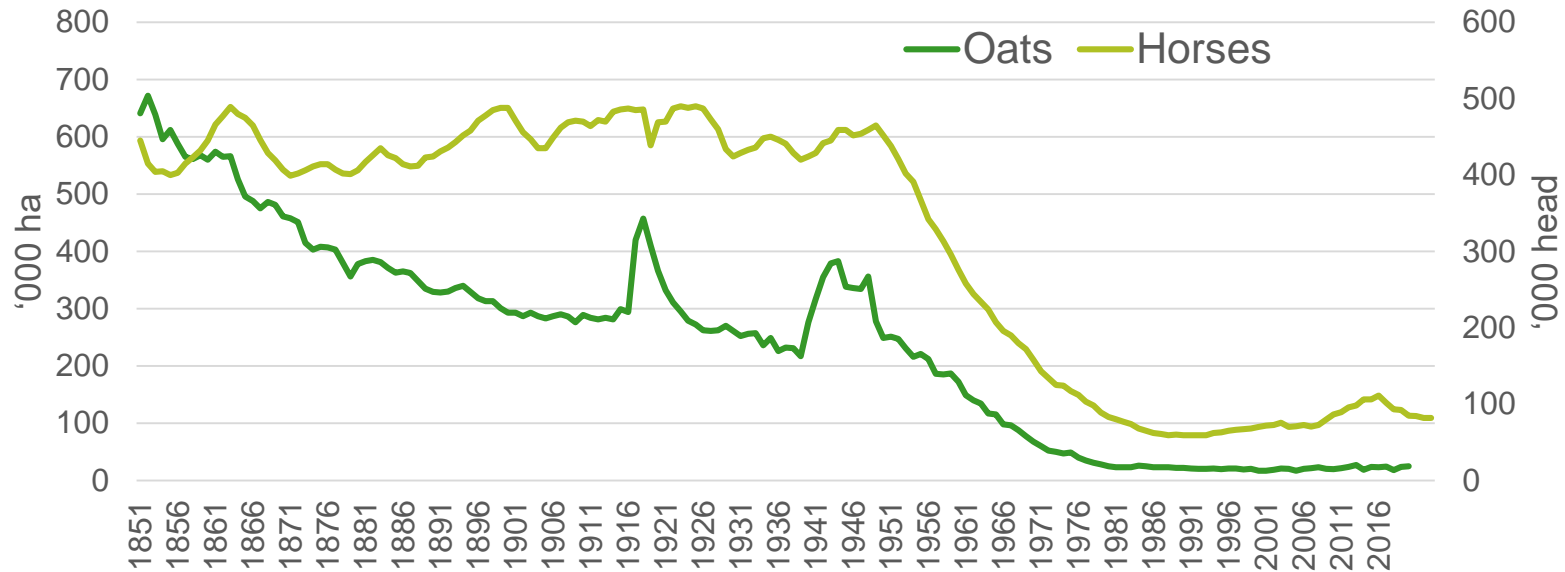
Source: Kennedy and Solar (2007), Brady (1999), CSO Statbank

Irish Corn Crops: 1847-2020



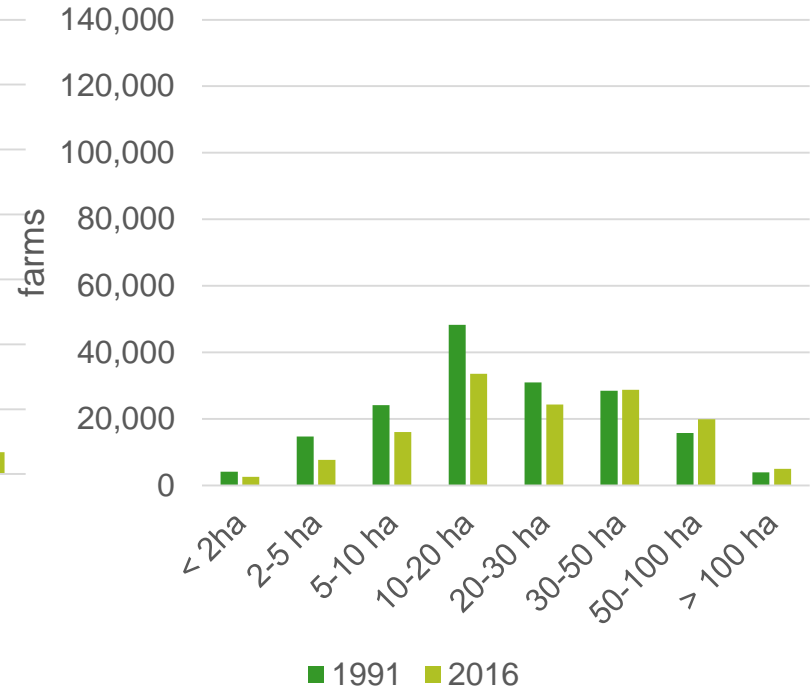
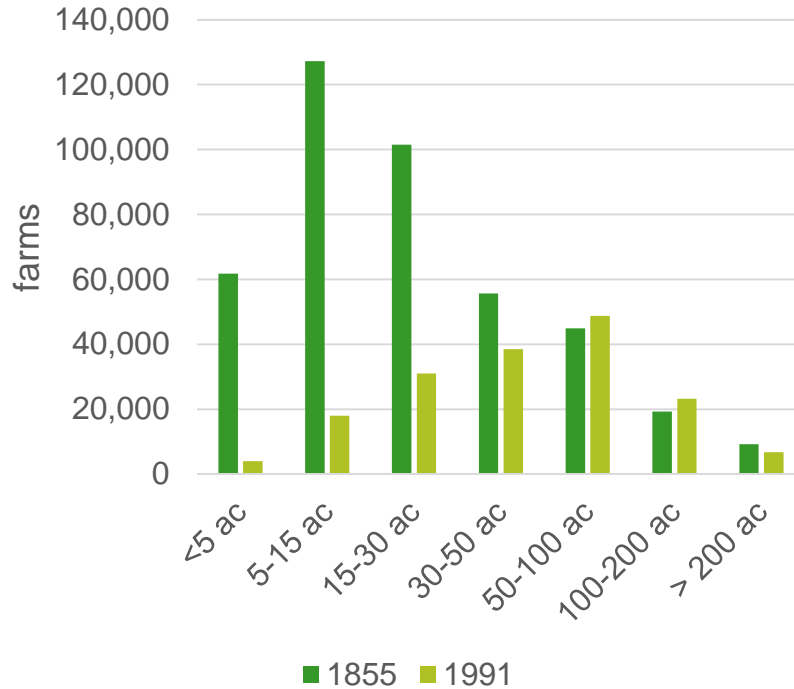
Source: CSO (1997) and CSO Statbank

Internal combustion engine and transport



Source: CSO (1997) and CSO Statbank

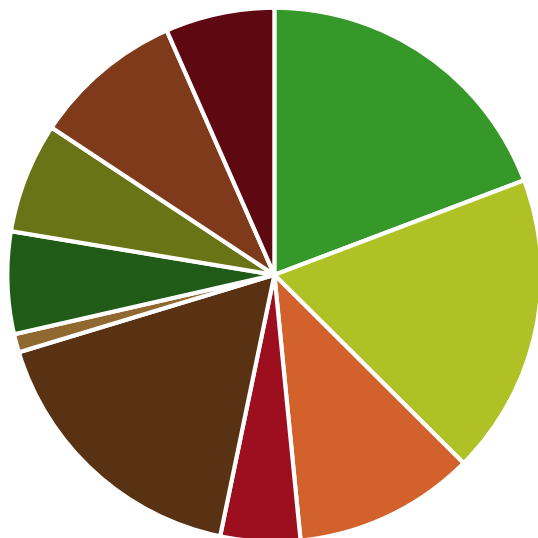
Structure of Irish Farms: 1855/1991/2016



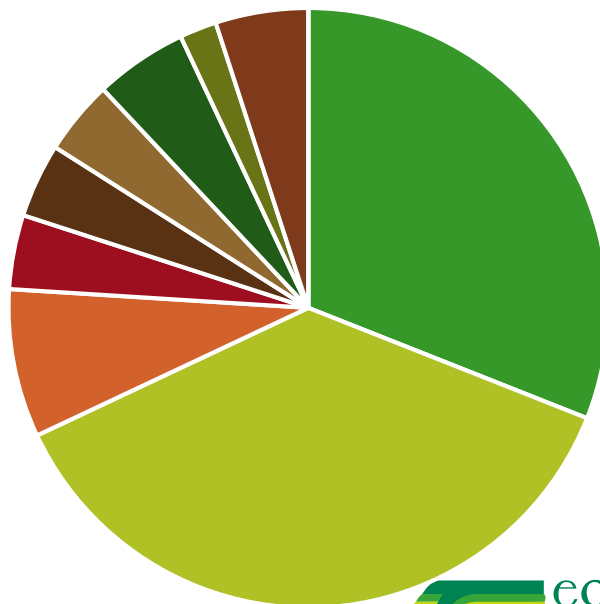
Source: CSO (1997) and Eurostat

Irish Agricultural Output

1918/19



2019



- Cattle
- Milk
- Pigs
- Sheep
- Poultry
- Other Livestock
- Cereals
- Potatoes
- Other Crops
- Turf

Source: O'Connor and Henry (1996) & CSO Statbank

Taking the Long View: Conclusions

- Land use is about people reacting to societal signals
- Societal signals?
 - Commodity prices, taxes and subsidies
- Grassland dominance is not a modern phenomena
 - “Recent” innovations such as the EU Common Agricultural Policy are not to “blame”
 - Our demand for meat and dairy has driven our land use
 - We are to “blame” – farmers have responded to us

Taking the Long View: Conclusions

- Agricultural market price signals communicate our desire that Irish land be used to produce ruminant meat and dairy
- We now want land use to reflect our new (additional) priorities
- Market Failures
 - => No market price or other signal relating to these new demands
- Changes in agricultural land use incentives will be required alter agricultural land use in Ireland
- If we want something different done with the land we have to figure out how to signal these (new) demands to farmers