

Outlook 2022

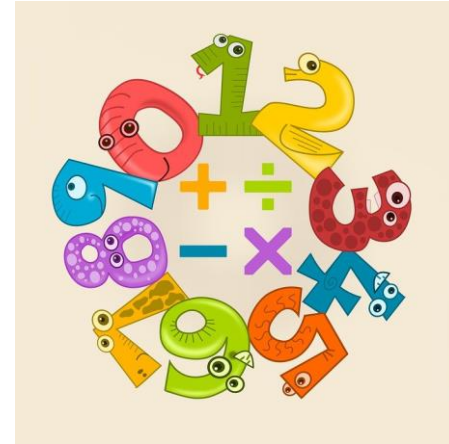
Trevor Donnellan

 @TrevorDonnellan



Key Points to Understand about Farm Income

- Reminder !
- Individual farms have multiple enterprises
 - i.e. a farm can produce multiple outputs
- **Our focus has been enterprise Margin analysis**
 - focuses on a farm's **principal output and its margin**
- To calculate **Farm Income for each Farm type**
 - **Sum the margins** from the enterprises by farm type
 - **Add the value of decoupled supports**



2021

JANUARY

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FEBRUARY

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MARCH

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JUNE

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JULY

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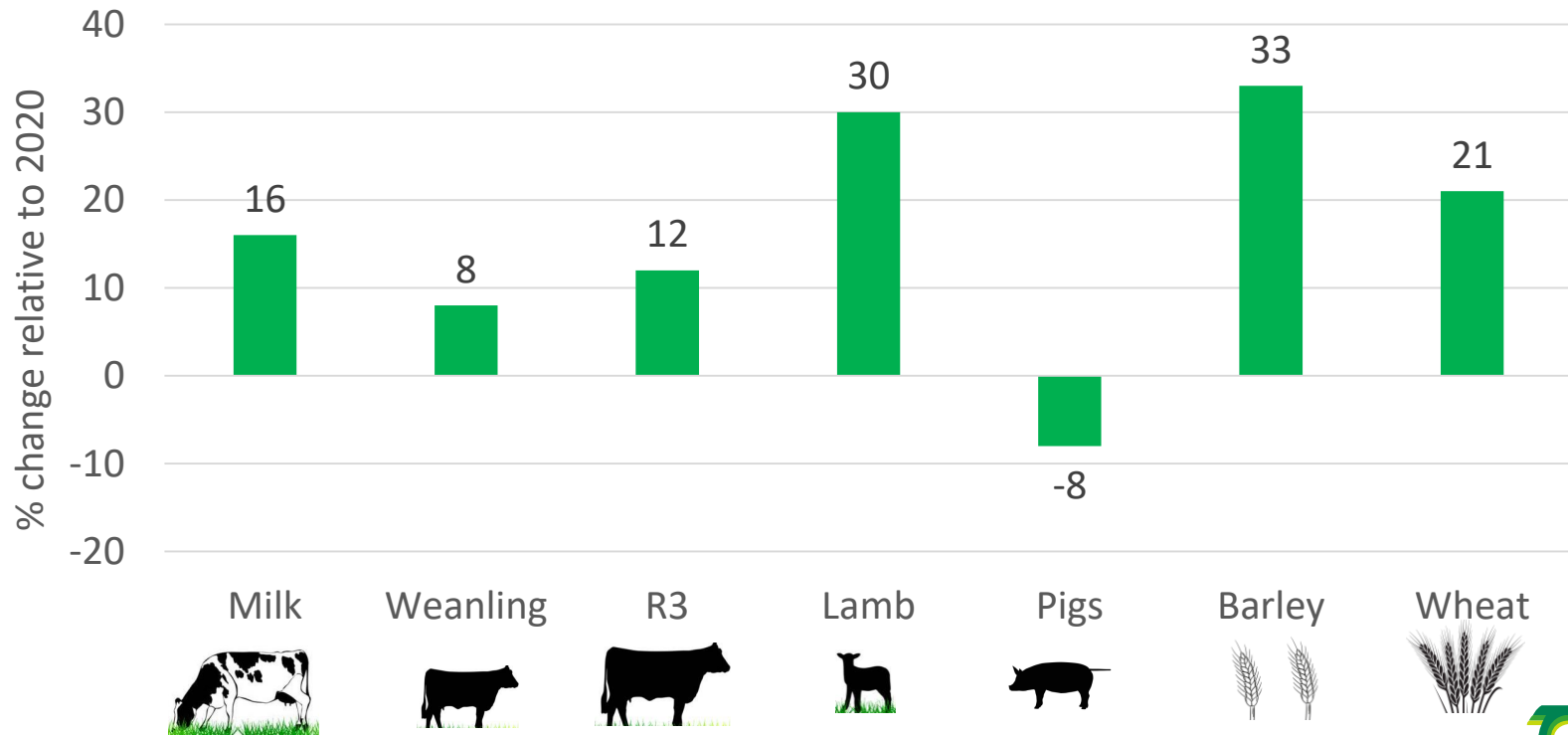
NOVEMBER

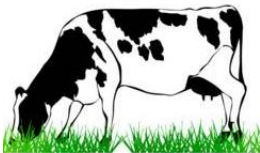
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DECEMBER

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Percentage Price Change 2021e vs 2020





Review of 2021



Dairy

- Strong increase in milk price
 - ↑ 16% vs 2020
- Further rise in milk production
 - ↑ 6% vs 2020
- Feed, fertiliser and fuel prices
 - ↑ all on the increase
- Margins ↑ **substantially**
- *Average income
 - € 95k (↑ 28%)

Cattle

- Higher cattle prices
 - ↑ 12% for Prime Cattle vs 2020
 - ↑ 8% for Young Cattle vs 2020
- Production volume ↔
- Feed, fertiliser and fuel prices
 - ↑ all on the increase
- Margins ↑ **slightly**
- But slight ↓ in coupled support
- *Average CR income
 - € 9k (unchanged)
- *Average CO income
 - € 15k (unchanged)

*2021 figures are estimates. Actual figures will be available from NFS in mid 2022

Review of 2021



Sheep

- Strong increase in lamb price
 - ↑ 30% vs 2020
- Decrease in lamb slaughter
 - ↓ 6% vs 2020
- Feed, fertiliser and fuel prices
 - ↑ all on the increase
- **Margins ↑ substantially**
- *Average Sheep income
 - **€ 20.6k** (↑ 15%)



Tillage

- Cereal prices substantially higher
 - ↑ 21% to 33% vs 2020
- Yields up substantially
 - ↑ 11 to 25% (but yields were low in 2020)
- Fertiliser and fuel prices
 - ↑ all on the increase
- **Margins ↑ substantially**
- *Average Tillage income
 - **€ 47k** (↑ 46%)

*2021 figures are estimates. Actual figures will be available from NFS in mid 2022

Review of 2021



Pigs

- Fall in pig price
 - ↓ 9% vs 2020
- Increase in pig slaughter
 - ↑ 2.6 vs 2020
- Feed and energy prices on the ↑
 - Feed prices ↑ 10%
- **Margins ↓ substantially**
 - ↓ 38% vs 2020

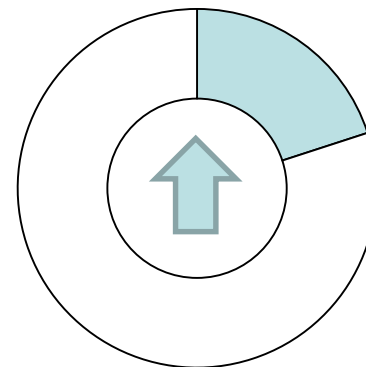
Income estimate for 2021



- **Output Prices**
 - ↑ for milk, beef, lamb, cereals
 - ↓ for pigs
- **Output Volumes**
 - ↑ for milk, cereals, pigs
 - ↓ for beef, sheep
- **Output Value**
 - ↑ substantially
- **Input Expenditure**
 - Total Costs ↑ significantly
 - Prices ↑ for feed, fertiliser & fuel
 - Volume ↑ for feed & fertiliser

- **Support payments**
 - No exceptional aid in 2021
 - Payments ↓ in 2021

Average NFS Farm Income



Up 20%

2022

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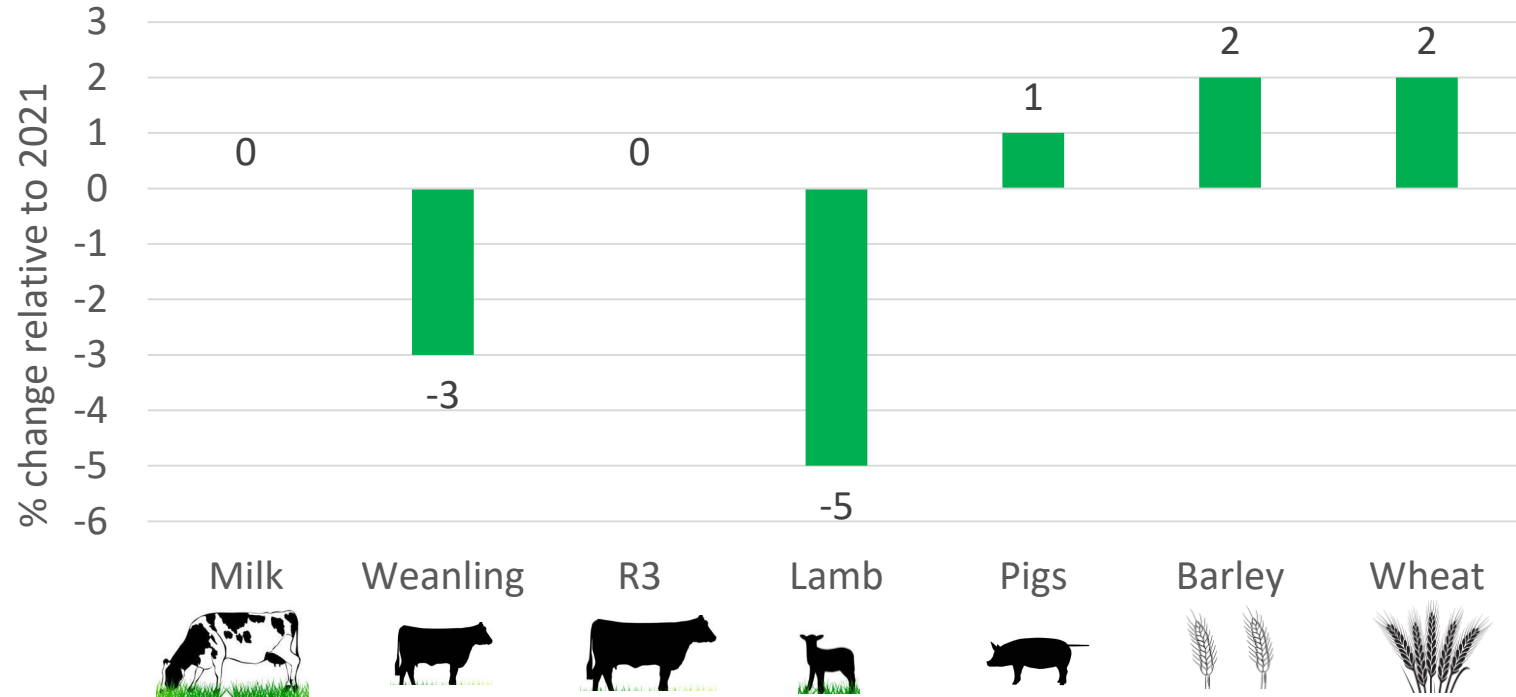
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Percentage Price Change 2022f vs 2021e





Outlook of 2022



Dairy

- Milk price ↔
Further rise in milk production
 - ↑ 2% vs 2021
- *Fertiliser prices
 - ↑ 120% vs 2021
- Feed and energy prices ↑ also
- **Margins ↓ significantly**
- *Average income
 - **€ 80k** (↓ 16%)

Cattle

- Minor cattle price changes
 - ↔ Prime Cattle vs 2021
 - ↓ 3% Young Cattle vs 2021
- Production volume ↔
- *Fertiliser prices
 - ↑ 120% vs 2021
- **Margins ↓ significantly**
- Support payments assumed ↔
- *Average CR income
 - **€ 6.2k** (↓ 31%)
- *Average CO income
 - **€ 12.3k** (↓ 18%)

*2022 figures are forecasts contingent on several critical assumptions

Outlook for 2022



Sheep

- Slight fall in lamb price
 - ↓ 5% vs 2021
- *Fertiliser prices
 - ↑ 120% vs 2021
- **Margins ↓ somewhat** on the 2021 level
- *Average Sheep income
 - € 17.7k (↓ 14%)



Tillage

- Cereal prices slightly higher
 - ↑ 2% vs 2021
- Yields ↓ slightly
 - trend yield assumed
- *Fertiliser prices
 - ↑ 120% vs 2021
- Fuel prices also ↑
- **Margins ↓ substantially**
- *Average Tillage income
 - € 31k (↓ 34%)



Outlook for 2022

Pigs

- Rise in pig prices
 - ↑ 3% vs 2021
- Increase in pig slaughter
 - ↑ 2.3% vs 2021
- Feed and energy prices on the increase
 - Feed prices ↑ 6%
- Margins down substantially
 - ↓ 7% vs 2021

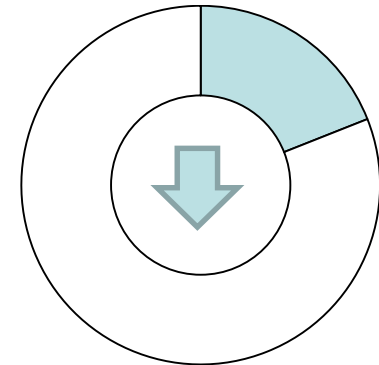
Income forecast for 2022



- **Output Prices**
 - ↑ for cereals
 - ↔ for milk, finished cattle
 - ↓ for young cattle, sheep, pigs
- **Output Volumes**
 - ↑ for milk, cattle, sheep, pigs
 - ↓ for cereals
- **Output Value**
 - ↑ marginally
- **Input expenditure**
 - Total Costs ↑ substantially
 - Price ↑ for fertiliser, feed and fuel
 - Volume changes ↑↓ for fertiliser and feed







- **Support payments**
 - Broadly in line with 2021 ↔

Average NFS Farm Income



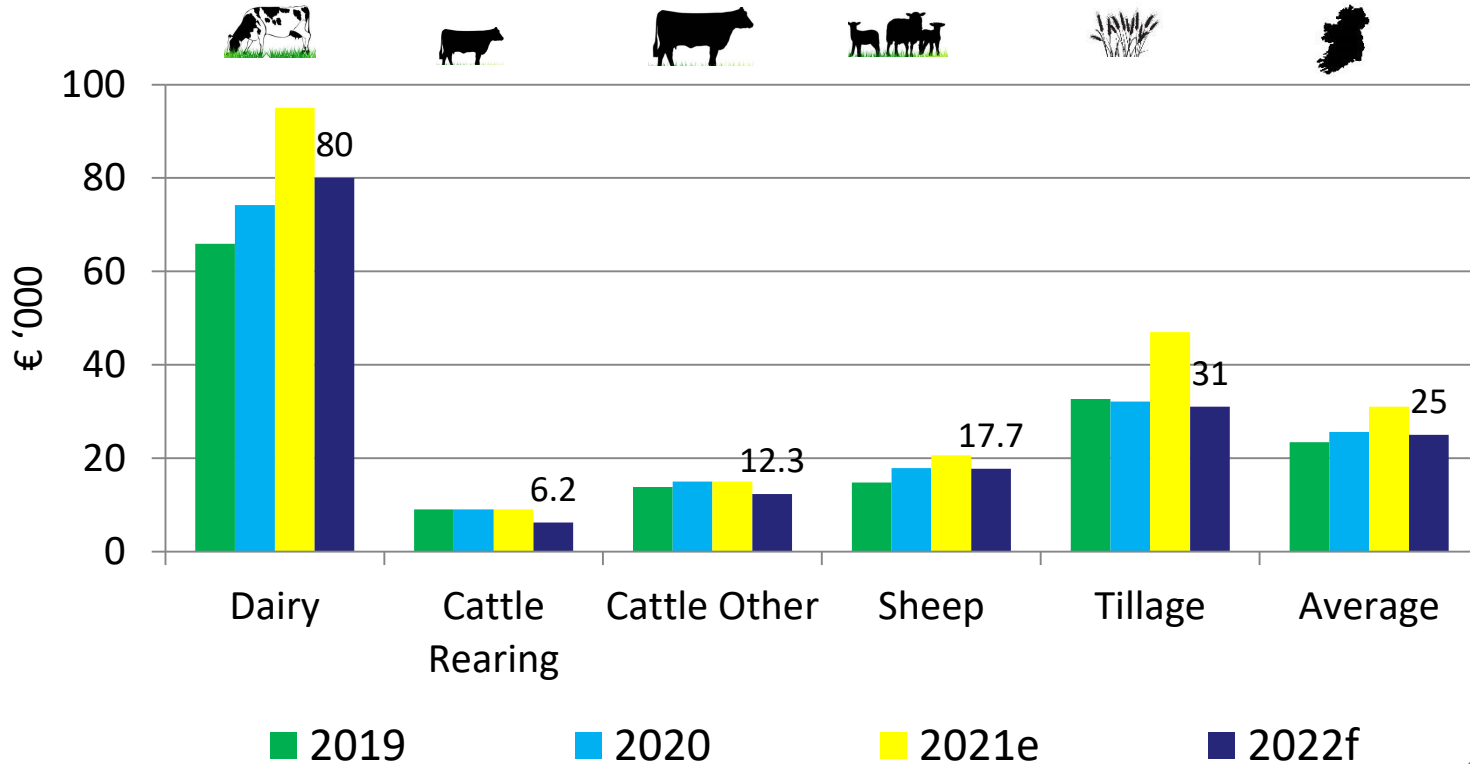
down 19%

NFS Family Farm Income 2019, 2020, 2021e & 2021f

		2019	2020	2021e	2022f	2021e vs 2020	2022f vs 2021e
		000 Euro				% change	% change
Dairy		65.9	74.2	95.0	80.0	+28	-16
Cattle Rearing		9.0	9.0	9.0	6.2	0	-31
Cattle Other		13.8	15.0	15.0	12.3	0	-18
Sheep		14.8	17.9	20.6	17.7	+15	-14
Tillage		32.7	32.1	47.0	31.0	+46	-34
Average		23.4	25.6	31.0	25.0	+20	-19

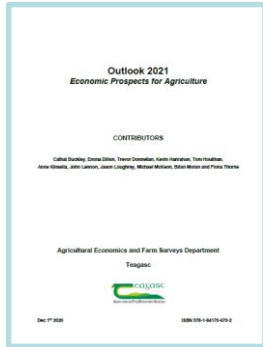
Note: Figures are rounded for the purposes of presentation

NFS Family Farm Income 2019, 2020, 2021e & 2022f



Need to know more?

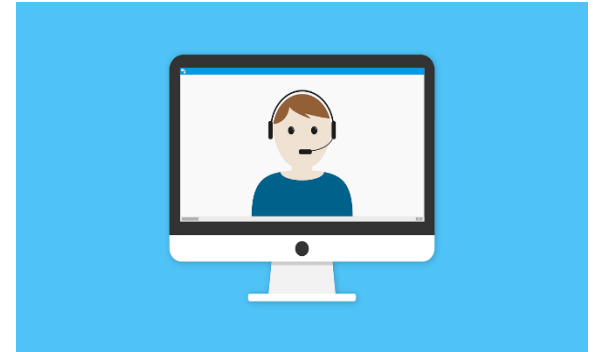
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Detailed report



Slides



Webinar

End