Teagasc National Farm Survey 2018

Single Suckling
Enterprise Factsheet

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Single Suckling Enterprise 2018
Average performance

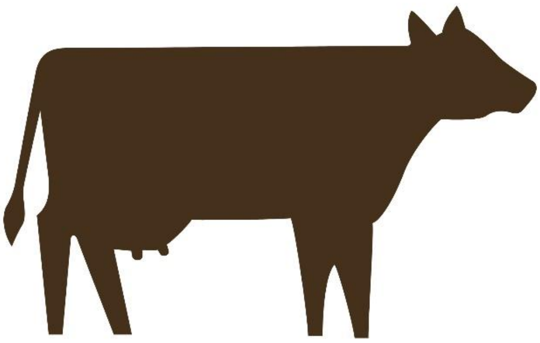
Irish Cattle Slaughter
1.90 million head (up 2%)

Stocking Rate (Calf to Weanling)
average of 1.30 lu/ha (unchanged)

Live Exports
246,629 head (up 31%)

Stocking Rate (Calf to Store)
average of 1.44 LU/ha (down 3%)

Irish Suckler Cow Numbers
0.98 million (down 3%)



Weanling sales price
average €815/head (up 2%)

Total Production Costs
(Single Suckling)
average €1,024 per hectare (up 5%)

Male Store sales price
average €987/head (down 4%)

Female Store sales price
average €948/head (down 3%)

Gross Margin
(Single Suckling)
average €382 per hectare (down 19%)

Source: Teagasc National Farm Survey, Central Statistics Office and Dept. of Agriculture, Food and the Marine

Background

The 2018 Teagasc National Farm Survey (NFS) recorded data on 897 farms representative of 92,720 farms nationally. In total data was recorded on 264 single suckling farms. The performance of the single suckling enterprise in 2018 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 31,500 farms.

1. Analysis of Financial Performance

The profit figures reported here exclude all decoupled payments and any costs relating to family labour. Gross output decreased by 5% on the average single suckling enterprise in 2018 to €924 per hectare. In 2018, this decrease in gross output was accompanied by an 8% increase in direct costs, leading to a 19% decrease in the average gross margin earned per hectare basis. On average energy and fuel costs increased by 5% year-on-year and other fixed costs decreased by 3%. Overall, in 2018 the decrease in gross output was accompanied by higher total costs, so that the net margin per hectare decreased significantly to -€100 per hectare on average in 2018.

Table 1: Average gross and net margin 2017 and 2018

	2017 € per hectare	2018 € per hectare	2018/2017 % change
Gross Output	**976**	**924**	**-5**
Concentrate Costs	141	169	20
Pasture and Forage Costs	247	255	3
Other Direct Costs	114	118	4
Total Direct Costs	**502**	**541**	**8**
Gross Margin	**474**	**382**	**-19**
Energy and Fuel	114	120	5
Other Fixed Costs	375	362	-3
Total Fixed Costs	489	482	-1
Net Margin	**-15**	**-100**	**n/a**

Source: Teagasc National Farm Survey 2018

With the decrease in gross output on a per cow basis, gross margin per cow also decreased by 3% in 2018 to an average of €527, as illustrated in Table 2. Due to the rise in fixed costs, the net margin per cow dis-improved to -€138 per cow in 2018.

Table 2: Average, gross and net margin 2017 and 2018

	2017 € per cow	2018 € per cow	2018/2017 % change
Gross Output	1,088	1,086	0
Total Direct Costs	568	644	13
Gross Margin	520	441	-15
Total Fixed Costs	559	579	4
Net Margin	-39	-138	n/a

Source: Teagasc National Farm Survey 2018

2. Variation in Production System

2018 data on 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; the calf to finishing enterprises in 2018 had the highest gross margin per hectare (see Table 3). A higher stocking rate and superior soil quality are found on suckling to finishing farms.

Table 3: Variation in gross margin per hectare by production system 2018

		Weanling	Store	Finishing
Farms in production system	% of Farms	36	31	19
Stocking rate	Livestock units per hectare	1.30	1.44	1.54
Farms on Very Good Soils	% of Farms	38%	45%	57%
Gross Output	€/hectare	797	870	1,073
Total Direct Costs	€/hectare	461	509	651
Gross Margin	€/hectare	336	361	423

Source: Teagasc National Farm Survey 2018

Table 4 below shows that the changes in animal sales prices between 2017 and 2018 varied across the categories of cattle sales made by single suckling farmers, with an average 4% decrease in male store prices being the largest percentage change between 2017 and 2018. Female store sales prices decreased by an average 3%. Sales prices increased for male finished cattle by 3% and 2% for female finished cattle. Weanling prices increased by an average 2% between 2017 and 2018.

Table 4: Average animal sales prices 2017 and 2018

	2017 € per head	2018 € per head	2018/2017 % change
Weanlings	798	815	2.1
Male Stores	1,031	987	-4.3
Female Stores	977	948	-3.0
Finished Males	1,451	1,494	3.0
Finished Females	1,318	1,339	1.6

Source: Teagasc National Farm Survey 2018

3. Variation in Financial Performance

Table 5 summarises the 2018 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 2018

		Top	Middle	Bottom
Stocking rate	LU/hectare	1.72	1.40	1.16
Farms on Very Good soils	% of Farms	44	49	7
Gross Output	€/hectare	1,327	854	601
Concentrates	€/hectare	190	146	171
Pasture and Forage	€/hectare	271	244	249
Other Direct Costs	€/hectare	154	106	94
Gross Margin	€/hectare	712	358	87

Source: Teagasc National Farm Survey 2018

The broad variation in gross output per hectare on Irish single sucking is evident across the three groups, with gross output on the Top performing farms being €1,327 per hectare and only €601 per hectare for the Bottom performing group. The gross margin (€ per ha) earned is over 8 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, although 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 7 that the sales prices are higher for the Top performing group relative to the Middle and Bottom performing groups for all categories of animal.

Table 6: Average sale price (€ per head) for Top, Middle and Bottom one-thirds of farms 2018

	Top	Middle	Bottom
		€ per head	
Weanlings Sales	891	776	751
Male Stores Sales	1,023	1,001	943
Female Stores Sales	1,011	945	868
Finished Males Sales	1,515	1,493	1,438
Finished Females Sales	1,369	1,324	1,233

Source: Teagasc National Farm Survey 2018

4. Variation in Technical Performance

The proportion of Single Suckling farms attaining the Teagasc 2025 Sectoral Road Map Targets in 2017 and 2018 is set out in Table 7. There was dis-improvement over the period 2017/2018 in the proportion of farms reaching the gross output, gross margin and net margin targets set out in the Teagasc 2025 Road Map. For instance, the proportion of farms earning a gross margin greater than €553 per hectare decreased 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 7 percentage points between 2017 and 2018.

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

	% of farms 2017	% of farms 2018
Gross Output per hectare > €1,106	30	26
Gross Margin per hectare > €553	31	21
Net Margin per hectare > €110	30	20
Concentrate per Livestock Unit < 390 kg	64	57

Source: Teagasc National Farm Survey 2018

Table 8 shows an increase in the share of farms in the lower part of the gross margin distribution in 2018 relative to 2017. In 2018, there was a 7 percentage point increase in the proportion of single suckling farms with a negative gross margin per hectare.

Table 8: Distribution of gross margin per hectare 2017 and 2018

Gross Margin	% of farms 2017	% of farms 2018
<€0 per hectare	8	10
€0-€150 per hectare	8	15
€150-€300 per hectare	17	16
€300-€500 per hectare	26	28
>€500 per hectare	42	30

Source: Teagasc National Farm Survey 2018

Methodological Note: Updated 2017 population weights

Note that the data reported for 2017 in this factsheet supersede that reported in the NFS Single Suckling Enterprise Factsheet 2017. This is due to the effect of a reweighting procedure applied to the survey data.

The CSO conducts a Census of Agriculture every 10 years to record the population of farms and the structure of farming in Ireland. Farm Structure Surveys (FSS) are conducted, in the intervening periods, to produce estimates of the total farm population. The 2016 FSS estimated the farming population falling within the sampling frame of the Teagasc NFS to be 92,720. As a result of the structural change on farms since the previous FSS (2013), we have reweighted the 2017 Teagasc NFS data to take account of this.

Additionally, output price inflation has also led to an increase in the number of farms represented by the Teagasc NFS, with a larger share of the total farm population meeting the €8,000 standard output threshold for coverage within the survey. This also has an effect on margin and income estimates.

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