Teagasc National Farm Survey 2021

Cattle Finishing Enterprise Factsheet

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Irish Cattle Finishing Enterprise 2021
Average performance

Irish Cattle Slaughter
1.792 million head (down 4.8%)

Stocking Rate (Cattle Finishing)
average of 1.4 LU/ha (down 4%)

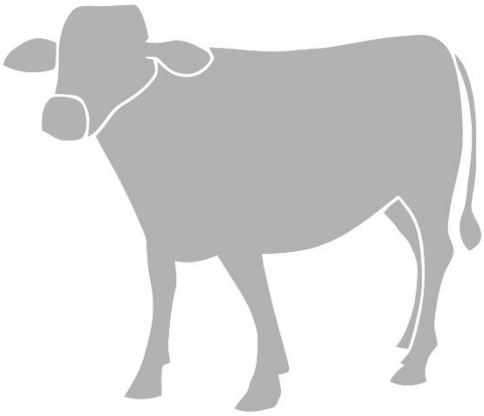
Live Exports
247,163 head (down 7%)

Concentrate Fed/LU
(Cattle Finishers)
average 653 kg (up 7.6%)

Irish Suckler Cow Numbers
0.89 million (down 3.6%)

Slaughter Weight/Head
average 331.7 kg (down 1.4%)

Weanling purchase price
average €766/head (down 1%)



Female Store purchase price
average €865/head (up 5%)

Male Store purchase price
average €998/head (up 8%)

Male Finished Animals Price
average €1,557 per head (up 12.7%)

Total Production Costs
(Cattle Finishing)
average €1,252 per hectare (up 13.3%)

Female Finished Animals Price
average €1,322 per head (up 8.8%)

Gross Margin
(Cattle Finishing)
average €581 per hectare (up 19.3%)

Source: Teagasc National Farm Survey 2021, Central Statistics Office and Dept. of Agriculture, Food and the Marine

Background

The 2021 Teagasc National Farm Survey (NFS) recorded data on 837 farms. The performance of the cattle finishing enterprise in 2021 is summarised here and is based on data for 89 farms. An enterprise is defined as cattle finishing if over 70% of the animals are sold for slaughter. Approximately 11,100 farms nationally are represented in this analysis. The data presented here are for enterprises with more than 10 livestock units (LU) in 2021.

1. Analysis of Financial Performance

The profit figures reported here exclude all decoupled payments and any costs relating to family labour. In 2021, gross output on cattle finishing farms increased by 16% in 2021 with an average of €1,238 per hectare. Concentrate costs increased notably by 19% due to higher concentrate feed prices. Pasture and forage costs increased by 8%. The average gross margin in 2021 was 19% higher in 2021 with an average of €581 per hectare. Total fixed costs increased by 13% on average in 2021 due partly to a 16% increase in energy and fuel costs. Net margin per hectare on cattle finishing farms was -€14 per hectare on average in 2021, an increase on the net margin (€-40 per hectare) returned in 2020.

Table 1: Average gross margin and average net margin 2020 and 2021

	2020 € per hectare	2021 € per hectare	2021/2020 % change
Gross Output	1,066	1,238	16
Concentrate Costs	239	286	19
Pasture and Forage Costs	243	263	8
Other Direct Costs	96	109	13
Total Direct Costs	578	658	14
Gross Margin	487	581	19
Energy and Fuel	117	136	16
Other Fixed Costs	410	458	12
Total Fixed Costs	527	594	13
Total Costs	1,105	1,252	13
Net Margin	-40	-14	n/a

Source: Teagasc National Farm Survey 2021

Table 2 illustrates that on a per LU basis, the average gross output increased by 17% to €844/LU in 2021, with average gross margin increasing 21% to €393/LU. The average net margin on a per LU basis improved from €-41 in 2020 to a -€26 in 2021.

Table 2: Average, gross and net margin 2020 and 2021

	2020 € per LU	2021 € per LU	2021/2020 % change
Gross Output	722	844	17
Total Direct Costs	397	451	14
Gross Margin	325	393	21
Total Fixed Costs	366	419	14
Net Margin	-41	-26	n/a

Source: Teagasc National Farm Survey 2021

Table 3 presents the average purchase and sales prices recorded on cattle finishing farms for the various animal types in 2020 and 2021. Prices for cattle purchases increased by 8% for male stores and 5% for female stores on the levels observed in 2020. Weanling purchases declined by 1% in 2021. Prices for finished animals increased on the levels observed in 2020 with a 13% increase for male sales and a 9% increase for female sales.

Table 3: Animal purchase and sale prices 2020 and 2021

	2020 € per head	2021 € per head	2021/2020 % change
Weanlings Purchases	774	766	-1
Male Stores Purchases	924	998	8
Female Stores Purchases	824	865	5
Finished Males Sales	1,381	1,557	13
Finished Females Sales	1,215	1,322	9

Source: Teagasc National Farm Survey 2021

2. Variation in Financial Performance

Table 4 summarises results for farms classified on the basis of gross margin per hectare; with cattle finishing farms broken into the best performing one-third of farms (Top), the middle one-third (Middle) and the poorest performing one-third (Bottom). The value of gross output per hectare varies considerably across the three groups, mostly due to differences in stocking rates (LU/hectare). Gross margin for the Top farms in 2021 was more than 6 times higher than for the Bottom group of farms. In 2021, total direct costs on the more intensively stocked Top performing farms were almost double the total direct costs of the less intensively stocked Bottom group.

Table 4: Costs and profit by Top, Middle and Bottom Cohorts in 2021

		Top	Middle	Bottom
Stocking rate	LU/hectare	1.91	1.28	1.04
Farms on Very Good soils	% of Farms	71	67	54
Gross Output	€/hectare	2,013	1,110	639
Concentrates	€/hectare	407	258	200
Pasture and Forage	€/hectare	339	251	203
Other Direct Costs	€/hectare	167	88	75
Total Direct Costs	€/hectare	914	597	478
Gross Margin	€/hectare	1,100	514	161

Source: Teagasc National Farm Survey 2021

The average sale and purchase prices recorded for the various animal types traded by the Top, Middle and Bottom cattle finishing farms are presented in Table 5. Finished male sales prices are higher for the Middle performing group relative to the Top and Bottom performing groups. A similar pattern is observed for weanling purchases and male store prices. Female store purchases are higher for the Bottom performing group relative to the Middle and Top performing groups. Both store and finished prices for female cattle are lower for the Top performing group relative to the Middle and Bottom performing groups.

Table 5: Average purchase and sale prices for Top, Middle and Bottom in 2021

	Top	Middle	Bottom
		€ per head	
Weanlings Purchases	706	896	805
Male Stores Purchases	957	1,090	1,035
Female Stores Purchases	719	945	995
Finished Males Sales	1,515	1,648	1,586
Finished Females Sales	1,191	1,436	1,321

Source: Teagasc National Farm Survey 2021

3. Variation in Technical Performance

Table 6 presents selected technical performance indicators for cattle finishing enterprises in 2020 and 2021. Concentrate feed usage (per livestock unit) in 2021 increased 8% year-on-year and labour efficiency (LU per labour unit) increased by 2%. Stocking rate (LU per hectare) decreased 4% year-on-year.

Table 6: Technical Performance Indicators 2020 and 2021

		2020	2021	2021/2020 % Change
Concentrate feed usage	kg per LU	607	653	8
Stocking rate	LU per hectare	1.46	1.40	-4
Labour efficiency	LU per labour unit	48	49	2

Source: Teagasc National Farm Survey 2021

Table 7 shows that there was an increase in the proportion of cattle finishing farms earning a gross margin per hectare of €500 or more with the share rising from 40% to 50%. There was a decline of 2 percentage in the share of cattle finishing farms earning negative gross margins (i.e. where output value was less than the direct costs of production) with the share of farms declining to 3%. There was a decrease year-on-year in the proportion of farms earning a gross margin of between €150 and €300 per hectare, where the percentage of farms decreased from 19% to 14%. There was a decrease in the proportion of farms earning a gross margin between €300 and €500 per hectare with the percentage of farms in this category decreasing from 24% to 21%.

Table 7: Distribution of gross margin per hectare 2020 and 2021

Gross Margin	% of farms 2020	% of farms 2021
<€0 per hectare	5	3
€0 to €149 per hectare	11	12
€150 to €299 per hectare	19	14
€300 to €499 per hectare	24	21
€500 per hectare and above	40	50

Source: Teagasc National Farm Survey 2021

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