

National Farm Survey Results 2010

Single Suckling

July 2011

The 2010 National Farm Survey (NFS) recorded data on 1,050 farms. The full financial results for these farms are available in the National Farm Survey 2010 report, (www.teagasc.ie/publications).

This publication summarises the 2010 results for the single suckling cattle enterprise and is based on suckler cow enterprises with more than 10 suckler cows. This enterprise is the predominant cattle system and is operated on 26,100 farms nationally.

Table 1: Average gross and net margin Euro per hectare: single suckling

	2009	2010	Change '09 to '10
	€	€	%
Coupled Direct Payment (Suckler cow welfare payment)	19	29	+56.6
Gross Output	541	577	+6.5
Concentrate costs	117	109	-7.0
Pasture and Forage Costs	213	199	-6.5
Other Direct Costs	85	83	-1.9
Total Direct Costs	415	391	-5.7
Gross Margin	126	186	+46.7
Energy and Fuel	46	46	-1.3
Other Fixed Costs	340	342	+0.8
Total Fixed Costs	386	388	+0.6
Net Margin	-259	-203	-21.9

1. Analysis of Financial Performance

In both 2009 and 2010 the average value of gross output from the single suckling enterprise, excluding any decoupled payments, was on average insufficient to generate a profit when all costs of production are considered (Table 1).

The value of gross output increased by 6.5% from 2009 to 2010. Direct production costs decreased over the same period by six %. Due to an expenditure decrease in fertiliser and concentrate.

Fixed costs on single suckling enterprises remained relatively stable and as a result on average single suckling farms generated a negative net margin of €-203 per hectare in 2010. This was a significant improvement on the 2009 situation.

Table 2 presents average gross and net margins per cow for 2010. The average gross margin per cow in 2010 was €237, a 47% increase on the 2009 level. Average net margin per cow in 2010 was €-283.

Table 2: Average gross and net margin Euro per Cow: single suckling

	2009	2010	Change '09 to '10
	€	€	%
Total Gross Output	690	741	7%
Total Direct Costs	529	504	-5%
Gross Margin	161	237	47%
Total Fixed Costs	512	520	2%
Net Margin	-351	-283	-19%

2. Variation in Financial Performance

The data in Table 1 presents the average for all single suckling herds. The wide variation that occurs throughout the country in financial performance between different single suckling enterprises is not apparent. Table 3 ranks farms on the basis of gross margin and splits the sample into thirds (top, middle and bottom). The value of gross output per hectare varies considerably across the three groups, mostly due to the variation in stocking and weaning rates. The natural advantage of the top one-

third of producers is evident with 56% of them farming very good soils, compared to 30% of farms in the bottom group. Gross output per hectare for the top producers is twice as high as the producers in the bottom one-third. The top one-third of producers have a gross margin of €376 per hectare. They have from a higher stocking rate and a better weaning rate than the farms in the middle and bottom groups. The top 1/3 have a 37 fold higher gross margin than those in the bottom group.

Table 3: Variation in output and profit: top, middle and bottom one-third of single suckling herds

	Top	Middle	Bottom
Stocking rate (cows per hectare)	0.98	0.76	0.67
Weaning rate (calves per cow)	0.94	0.92	0.84
Percentage of farms on very good soils	56%	45%	30%
Gross Output (€/hectare)	800	543	388
Concentrates (€/hectare)	115	101	110
Pasture and Forage (€/hectare)	212	191	195
Other Direct Costs (€/hectare)	98	79	73
Total Direct Costs (€/hectare)	424	372	378
Gross Margin (€/hectare)	376	171	10

Table 4 shows the distribution of gross margin per hectare for single suckling enterprises in 2009 and 2010. The gross margin figures exclude all decoupled payments such as the Single Farm Payment and Disadvantage Area Payments. In 2009 22% of farms earned a negative gross margin, i.e. made a loss when only direct costs were considered. This proportion decreased to 12% in 2010. At the opposite end of the distribution only 2% of farms earned a gross margin of €500 per ha or more in 2009 but this population increased to 6% of farms in 2010.

Table 4: Distribution of gross margin € per hectare: 2009 and 2010

Gross Margin €/hectare	2009	2010
	%	%
<0	22%	12%
0-150	37%	33%
150-300	23%	33%
300-500	16%	17%
>500	2%	6%

3. Variation in Technical Performance

Table 5 presents the average technical performance of single suckling enterprises in 2009 and 2010 using a number of selected indicators.

Table 5: Technical Performance Indicators

	Average 2009	Average 2010	Percentage Change
Calving Compaction (%suckler cows calved in 3 month period)	0.79	0.78	-0.9
Calves per cow	0.87	0.90	3.4
Use of concentrate feeds (kg per livestock unit)	443	428	-3.5
Stocking rate (livestock units per hectare)	1.38	1.30	-6.1
Labour efficiency (livestock units per labour unit)	38.08	37.94	-0.4

The Teagasc Road Map for beef production has set performance indicators for the sector for 2018. Table 6 shows the percentage of farms that achieved a selection of these targets in 2009 and 2010. As can be seen the performance improved along some dimensions, most notably: fertility rate and gross output/ha target of €887 per ha.

Table 6: Percentage of farms achieving selected Teagasc dairy road map targets

	Percentage 2009	Percentage 2010
Calving season: ≤ 52% of cows calved in Feb and March	31%	21%
Fertility rate: ≥ 0.87 calves per cow	55%	58%
Concentrate usage: ≥ 438kg per livestock unit	68%	67%
Gross output: ≥ €887 per hectare	10%	16%
Gross margin: ≥ €377 per hectare	9%	10%

4. Overview

Table 7: Herd size distribution

Herd Size-cows	2010
10-30 cows	56%
30-60	34%
60-90	6%
90-120	3%
>120	1%

The average single suckling herd size for farms in this analysis was 23 cows. 10 percent of herds had 60 cows or more. The average family farm income on the farms in this sample was €11,993. Table 7 shows the distribution of income by herd size and reliance on direct payments (DP).

Table 8: Income and reliance on direct payments (DP)

Herd Size	Income (€)	Total DP (€)	DP as a % of Income
10-30	7814	13000	166%
30-60	13644	20977	154%
60-90	23882	35917	150%
90-120	41127	51146	124%
>120	58208	70177	121%

Average family farm income increases with herd size. Total decoupled payments (which include the Single Farm Payment, Disadvantaged area payments and REPS) account for 166% of income for the smallest herds and 121% for the largest.