

Teagasc National Farm Survey Results 2014

Single Suckling Enterprise



The 2014 Teagasc National Farm Survey (NFS) recorded data on 895 farms. The full financial results for these farms are available in the National Farm Survey and to download at www.teagasc.ie/nfs. The performance of the single suckling enterprise in 2014, for herds greater than 10 cows, is summarised here. This is the predominant cattle system in Ireland, operated on 31,292 farms.

1. Analysis of Financial Performance

The profit figures reported here exclude all decoupled payments and the costs relating to family labour. Gross output on single suckling farms increased marginally in 2014. Direct costs of production, in particular feed costs, decreased largely due to a reduction in animal feed bills following a recovery from the fodder crisis which had persisted into the first half of 2013. On average net margin was up 23% in 2014 but still negative at -€96 per hectare before direct payments.

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

	2013	2014	% Change '13 to '14
	€	€	%
Coupled Suckler Cow Welfare Payment	0	33	
Gross Output	819	824	+1
Concentrate Costs	168	130	-23
Pasture and Forage Costs	251	252	0
Other Direct Costs	105	104	0
Total Direct Costs	524	486	-7
Gross Margin	295	338	+15
Energy and Fuel	96	99	+3
Other Fixed Costs	321	335	+4
Total Fixed Costs	418	434	+4
Net Margin	-123	-96	+23

The average stocking rate was 0.83 cows per hectare in 2014. Average gross margin per cow was €407, a 12% increase on 2013. Although net margin per cow improved in 2014, it was still negative at -€141.

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

	2013	2014	% Change '13 to '14
Gross Output	1,015	1,002	-1
Total Direct Costs	653	595	-9
Gross Margin	362	407	+12
Total Fixed Costs	533	547	+3
Net Margin	-171	-141	+18

2. Variation in Production System

The various production systems operated by single suckling farmers, i.e. selling progeny as weanlings, stores or finished animals, are presented in Table 3. Single suckling to weanling is the most prevalent production system, operated on 39% of farms. On average, suckling to finishing is the most profitable system, typically these farms have a higher stocking rate and better soil quality.

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

	<i>Weanling</i>	<i>Store</i>	<i>Finishing</i>
Percentage of Farms	39	37	25
Stocking rate (livestock units per hectare)	1.16	1.41	1.70
Percentage of Farms on Very good soils	42	44	69
Gross Output (€/hectare)	727	780	1,028
Total Direct Costs (€/hectare)	419	437	660
Gross Margin (€/hectare)	308	343	368

The movement in sales prices was mixed in 2014. Prices for younger animals increased in the 2014 calendar year compared to 2013, or at worst stabilised, while prices for finished animals declined.

Table 4: Average Animal Sales Prices

	<i>2013</i>	<i>2014</i>	<i>% Change '13 to '14</i>
Weanlings	718	740	+3
Male Stores	911	922	+1
Female Stores	895	898	+1
Finished Males	1,492	1,335	-10
Finished Females	1,303	1,230	-6

3. Variation in Financial Performance

Table 5 summarises results for 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-third of farm

	<i>Top</i>	<i>Middle</i>	<i>Bottom</i>
Stocking rate (livestock units per hectare)	1.83	1.30	1.04
Percentage of Farms on Very good soils	70	49	30
Gross Output (€/hectare)	1231	740	511
Concentrates (€/hectare)	165	102	123
Pasture and Forage (€/hectare)	315	225	217
Other Direct Costs (€/hectare)	157	89	68
Gross Margin (€/hectare)	595	323	102

Gross output per hectare varies considerably across the three groups with varying stocking rates being driven by soil type. Gross output per hectare for the Top group is more than double that of the Bottom group. The natural advantage of the Top group is evident with 70% of them operating on very good soils. The Top group earned a gross margin of €595 per hectare in 2014, more than 5 times higher than the margin earned by the Bottom Group.

Farms in the Top group typically achieve a 10 to 12% price premium for their animals compared to farms in the Bottom group, suggesting that the Top group of farms are producing heavier and/or superior quality animals.

Table 6: Average sale price of animal for Top, Middle and Bottom one-third of farms: 2014

	<i>Top</i>	<i>Middle</i>	<i>Bottom</i>
Weanlings	855	793	731
Male Stores	1,044	1,010	907
Female Stores	1,015	931	840
Male Finished Animals	1,420	1,357	1,335
Female Finished Animals	1,236	1,261	1,186

4. Variation in Technical Performance

The Teagasc Road Map for beef production has set performance indicators for the sector for 2025. Table 7 shows the percentage of all farms and of Teagasc clients that achieved a selection of these targets in 2014. A greater proportion of Teagasc clients are achieving all of the selected targets.

Table 7: Percentage of farms achieving selected Teagasc Cattle road map targets

	<i>All Farms</i>	<i>Teagasc Clients</i>
	%	%
Liveweight output per hectare >580kg	14	26
Calving in Feb&Mar >52% of herds	24	25
Gross Output per hectare >€1,017	25	51
Gross Margin per hectare > €492	21	40

Table 8: Distribution of gross margin € per hectare: 2013 and 2014

In general gross margin per hectare improved in 2014 with the percentage of farms with a negative gross margin declining and those in the higher gross margin categories increasing.

Gross Margin	% of farms 2013	% of farms 2014
<0	8	3
0 to 150	24	16
150-300	27	29
300-500	22	33
>500	19	20