Teagasc National Farm Survey Results 2015

Single Suckling Enterprise

The 2015 Teagasc National Farm Survey (NFS) recorded data on 898 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 2015, 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 by 12% in 2015. Direct costs of production, in particular feed costs, decreased largely due to lower feed prices and good weather conditions leading to lower purchased feed requirements. Net margin was up significantly to a marginally positive return of €18 per hectare, an improvement on the negative situation of 2014.

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

	2014	*2015*	*% Change '14 to '15*
	€	€	%
Coupled Suckler Cow Welfare Payment	33	0	
Gross Output	**824**	**920**	**+12**
Concentrate Costs	130	125	-4
Pasture and Forage Costs	252	235	-7
Other Direct Costs	104	96	-8
Total Direct Costs	**486**	**456**	**-6**
Gross Margin	**338**	**464**	**+37**
Energy and Fuel	99	98	-1
Other Fixed Costs	335	348	+4
Total Fixed Costs	**434**	**447**	**+3**
Net Margin	-96	18	+118

The average stocking rate was 0.82 cows per hectare in 2015. Average gross margin per cow was €563, a 38% increase on 2014. Net margin per cow also improved significantly from the negative position of 2014.

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

	2014	*2015*	*% Change '14 to '15*
Gross Output	1,002	1,131	+13%
Total Direct Costs	595	568	-5
Gross Margin	407	563	+38
Total Fixed Costs	547	563	+3
Net Margin	-141	0	+141

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 34% 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

	Weanling	*Store*	*Finishing*
Percentage of Farms	34	32	22
Stocking rate (livestock units per hectare)	1.18	1.37	1.50
Percentage of Farms on Very good soils	41	48	66
Gross Output (€/hectare)	834	877	1,061
Total Direct Costs (€/hectare)	409	434	519
Gross Margin (€/hectare)	426	444	542

The movement in sales prices was mixed in 2015. While prices for all animal types increased, the increase was more substantial for finished animals.

Table 4: Average Animal Sales Prices

	2014	*2015*	*% Change '14 to '15*
Weanlings	740	755	+2
Male Stores	922	980	+6
Female Stores	898	913	+2
Finished Males	1,335	1,554	+16
Finished Females	1,230	1,365	+11

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

	Top	*Middle*	*Bottom*
Stocking rate (livestock units per hectare)	1.69	1.30	1.04
Percentage of Farms on Very good soils	76	51	23
Gross Output (€/hectare)	1,332	860	574
Concentrates (€/hectare)	151	113	111
Pasture and Forage (€/hectare)	270	226	208
Other Direct Costs (€/hectare)	123	89	77
Gross Margin (€/hectare)	788	432	178

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 76% of them operating on very good soils. The Top group earned a gross margin of €788 per hectare in 2015, more than 4 times higher than the margin earned by the Bottom Group.

Farms in the Top group typically achieve a 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: 2015

	Top	*Middle*	*Bottom*
Weanlings	898	864	837
Male Stores	1,172	1,063	1,010
Female Stores	1,065	1,026	995
Male Finished Animals	1,594	1,518	1,466
Female Finished Animals	1,381	1,323	1,340

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 2015. 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

	All Farms %	*Teagasc Clients* %
Liveweight output per hectare >580kg	20	44
Calving in Feb&Mar >52% of herds	27	28
Gross Output per hectare >€1,017	33	52
Gross Margin per hectare > €492	42	66

In general gross margin per hectare improved in 2015 with the percentage of farms achieving margins of €300 per hectare or greater increasing.

Table 8: Distribution of gross margin € per hectare: 2014 and 2015

Gross Margin	% of farms 2014	% of farms 2015
<0	3	3
0 to 150	16	9
150-300	29	18
300-500	33	31
>500	20	39