Teagasc National Farm Survey 2020

Cattle Finishing
Enterprise Factsheet

Agricultural Economics and Farm Surveys Department,
Teagasc
Athenry
Co Galway
H65 R718
Ireland

Irish Cattle Finishing Enterprise 2020
Average performance

Irish Cattle Slaughter
1.882 million head (up 1.6%)

Live Exports
265,000 head (down 11.1%)

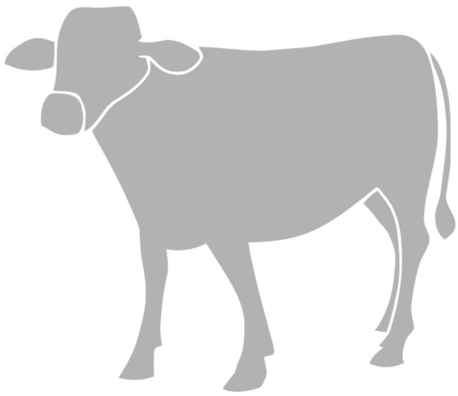
Irish Suckler Cow Numbers
0.92 million (down 4.2%)

Weanling purchase price
average €804/head (up 0.6%)

Stocking Rate (Cattle Finishing)
average of 1.47 LU/ha (up 4.3%)

Concentrate Fed/LU (Cattle Finishers)
average 611 kg (down 6.7%)

Slaughter Weight/Head
average 336.6 kg (up 0.6%)



Female Store purchase price
average €814/head (down 2.4%)

Male Finished Animals Price
average €1,380 per head (down 0.2%)

Female Finished Animals Price
average €1,210 per head (up 1.3%)

Male Store purchase price
average €919/head (up 0.9%)

Total Production Costs
(Cattle Finishing)
average €1,111 per hectare (up 1.1%)

Gross Margin
(Cattle Finishing)
average €478 per hectare (up 0.4%)

Source: Teagasc National Farm Survey 2020 (Preliminary Results), Central Statistics Office and Dept. of Agriculture, Food and the Marine

Background

The 2020 Teagasc National Farm Survey (NFS) recorded data on 805 farms. The performance of the cattle finishing enterprise in 2020 is summarised here and is based on data for 91 farms. An enterprise is defined as cattle finishing if over 70% of the animals are sold for slaughter. Approximately 12,800 farms nationally are represented in this analysis. The data presented here are for enterprises with more than 10 livestock units (LU) in 2020.

1. Analysis of Financial Performance

The profit figures reported here exclude all decoupled payments and any costs relating to family labour. In 2020, gross output on cattle finishing farms was similar to 2019 with an average of €1,061 per hectare. Concentrate costs declined notably by 11% due to a combination of lower concentrate feed prices and lower usage. Pasture and forage costs increased by 4%. The average gross margin in 2020 was similar to 2019 with an average of €478 per hectare. Total fixed costs increased by 3% on average in 2020 despite a 2% decrease in energy and fuel costs. Net margin per hectare on cattle finishing farms was -€50 per hectare on average in 2020, a decrease on the net margin (€-36 per hectare) returned in 2019.

Table 1: Average gross margin and average net margin 2019 and 2020

	2019 € per hectare	2020 € per hectare	2020/2019 % change
Gross Output	**1,063**	**1,061**	**0**
Concentrate Costs	**271**	**242**	-11
Pasture and Forage Costs	235	244	4
Other Direct Costs	81	97	19
Total Direct Costs	**587**	**583**	**-1**
Gross Margin	**476**	**478**	**0**
Energy and Fuel	118	115	-2
Other Fixed Costs	394	413	5
Total Fixed Costs	512	528	3
Net Margin	**-36**	**-50**	**n/a**

Source: Teagasc National Farm Survey 2020

Table 2 illustrates that on a per LU basis, gross output decreased by 1% to €710/LU in 2020, with gross margin decreasing 1% to €314/LU on average. The net margin on a per LU basis declined 1% to -€50 in 2020.

Table 2: Average, gross and net margin 2019 and 2020

	2019 € per LU	2020 € per LU	2020/2019 % change
Gross Output	**717**	**710**	**-1**
Total Direct Costs	399	396	-1
Gross Margin	318	314	-1
Total Fixed Costs	368	364	-1
Net Margin	**-49**	**-50**	**n/a**

Source: Teagasc National Farm Survey 2020

Table 3 presents the average purchase and sales prices recorded on cattle finishing farms for the various animal types in 2019 and 2020. Prices for cattle purchases increased by 1% for weanlings and male stores relative to the levels observed in 2019. Prices for female stores decreased by 2% on the levels observed in 2019. For finished animals, there is no change reported for male sales prices while female sales prices increased by 1% in 2020.

Table 3: Animal purchase and sale prices 2019 and 2020

	2019 € per head	2020 € per head	2020/2019 % change
Weanlings Purchases	799	804	1
Male Stores Purchases	911	919	1
Female Stores Purchases	834	814	-2
Finished Males Sales	1,383	1,380	0
Finished Females Sales	1,194	1,210	1

Source: Teagasc National Farm Survey 2020

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 on the Top farms in 2020 was more than 7 times higher than for the Bottom group of farms. In 2020, total direct costs on the more intensively stocked Top performing farms were over double the total direct costs of the less intensively stocked Bottom group.

Table 4: Costs and profit by Top, Middle and Bottom Cohorts in 2020

		Top	Middle	Bottom
Stocking rate	LU/hectare	2.02	1.36	1.05
Farms on Very Good soils	% of Farms	80	71	52
Gross Output	€/hectare	1,777	878	544
Concentrates	€/LU	217	110	154
Pasture and Forage	€/hectare	312	223	198
Other Direct Costs	€/hectare	145	77	70
Total Direct Costs	€/hectare	874	460	421
Gross Margin	€/hectare	903	419	123

Source: Teagasc National Farm Survey 2020

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 Top performing group relative to the Middle and Bottom performing groups. A similar pattern is observed for weanling purchases. Male store prices are slightly higher for the Top performing group relative to the Middle performing group and are much higher than for the Bottom performing group. 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 2020

	Top	Middle	Bottom
		€ per head	
Weanlings Purchases	804	784	691
Male Stores Purchases	953	940	829
Female Stores Purchases	783	852	855
Finished Males Sales	1,431	1,342	1,323
Finished Females Sales	1,149	1,283	1,209

Source: Teagasc National Farm Survey 2020

3. Variation in Technical Performance

Table 6 presents selected technical performance indicators for cattle finishing enterprises in 2019 and 2020. Stocking rate (LU per hectare) increased 5% year-on-year. Concentrate feed usage (per livestock unit) in 2020 decreased 7% year-on-year and labour efficiency (LU per labour unit) decreased by 5%.

Table 6: Technical Performance Indicators 2019 and 2020

		2019	2020	2020/2019 % Change
Concentrate feed usage	kg per LU	655	611	-7
Stocking rate	LU per hectare	1.41	1.47	5
Labour efficiency	LU per labour unit	50	47	-5

Source: Teagasc National Farm Survey 2020

There was an increase in the proportion of cattle finishing farms earning a gross margin per hectare in excess of €500 with the share rising from 37% to 40%. There was a decrease year-on-year in the proportion of farms earning a gross margin of between €0 and €150 per hectare, where the percentage of farms decreased from 21% to 12%. At the same time, an increase in the proportion of farms earning a gross margin between €150 and €300 per hectare is observed with the percentage of farms in this category increasing from 12% to 20%. There was no change 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 remaining at 5%.

Table 7: Distribution of gross margin per hectare 2019 and 2020

Gross Margin	% of farms 2019	% of farms 2020
<€0 per hectare	5	5
€0-€150 per hectare	21	12
€150-€300 per hectare	12	20
€300-€500 per hectare	25	23
>€500 per hectare	37	40

Source: Teagasc National Farm Survey 2020