

Outlook 2023

Trevor Donnellan

December 13th 2022



@TrevorDonnellan



1	781	752
2	796	244
3	724	049
4	752	470
5	724	049
6	752	470
7	724	049
8	752	470
9	724	049
10	752	470

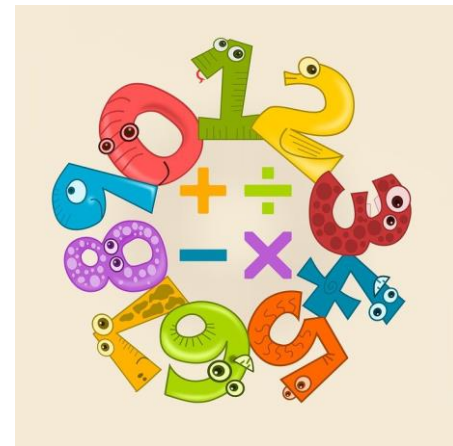
1	832	71
2	547	84
3	604	90
4	520	24
5	458	18
6	578	21
7	792	062
8	849	822
9	916	260
10	238	125
11	386	664
12	897	364
13	7157	663
14	7596	171
15	888	411
16	79	909

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Key Points to Understand about Farm Income

- Reminder !
- Individual farms have multiple enterprises
 - i.e. a farm can produce multiple outputs
- **Our focus has been enterprise Margin analysis**
 - focuses on a farm's **principal output and its margin**
- **To calculate Farm Income for each Farm type**
 - **Sum the margins** from the enterprises by farm type
 - **Add the value of decoupled supports**



2022

JANUARY

mon	tue	wed	thu	fri	sat	sun
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

FEBRUARY

mon	tue	wed	thu	fri	sat	sun
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

MARCH

mon	tue	wed	thu	fri	sat	sun
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

APRIL

mon	tue	wed	thu	fri	sat	sun
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

MAY

mon	tue	wed	thu	fri	sat	sun
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

JUNE

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5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

JULY

mon	tue	wed	thu	fri	sat	sun
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

AUGUST

mon	tue	wed	thu	fri	sat	sun
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

SEPTEMBER

mon	tue	wed	thu	fri	sat	sun
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

OCTOBER

mon	tue	wed	thu	fri	sat	sun
				1	2	
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

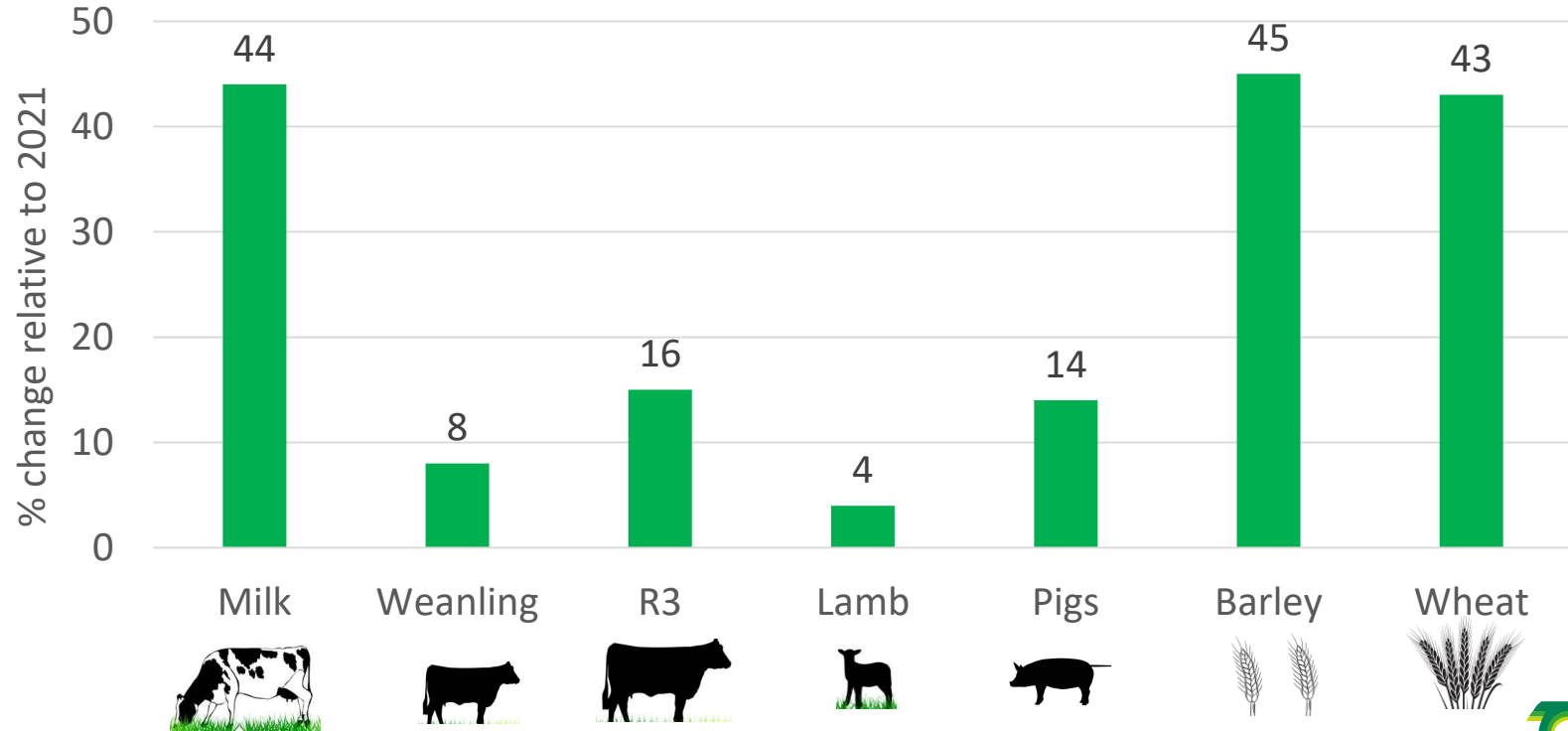
NOVEMBER

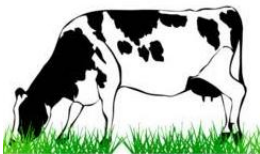
mon	tue	wed	thu	fri	sat	sun
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

DECEMBER

mon	tue	wed	thu	fri	sat	sun
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Percentage Price Change 2022e vs 2021





Review of 2022



Dairy

- Extraordinary increase in milk price
 - ↑ 44% vs 2021
- Stable milk production
 - ↑ <1% vs 2021
- Feed, fertiliser and fuel prices
 - ↑ all on the increase
- Margins ↑ **substantially**
- *Average income
 - € 148,000 (↑ 50%)

Cattle

- Higher cattle prices
 - ↑ 16% for Prime Cattle vs 2021
 - ↑ 8% for Young Cattle vs 2021
- Production volume ↑
- Feed, fertiliser and fuel prices
 - ↑ all on the increase
- Margins ↓
- *Average CR income
 - € 8,700 (↓ 20%)
- *Average CO income
 - € 16,900 (↓ 2%)

*2022 figures are estimates. Actual figures will be available from NFS in mid 2023

Review of 2022



Sheep

- Slight increase in lamb price
 - ↑ 4% vs 2021
- Increase in lamb/sheep slaughter
 - ↑ 5% vs 2021
- Feed, fertiliser and fuel prices
 - ↑ all on the increase
- **Margins ↓**
- *Average Sheep income
 - **€ 19,900** (↓ 4%)



Tillage

- Cereal prices substantially higher
 - ↑ >40% vs 2021
- Production up slightly
 - ↑ 4% vs 2021
- Fertiliser, fuel prices and other inputs
 - ↑ all on the increase
- **Margins ↑ substantially**
- *Average Tillage income
 - **€ 64,000** (↑ 10%)

*2022 figures are estimates. Actual figures will be available from NFS in mid 2023

Review of 2022



Pigs

- Increase in pig price
 - ↑ 14% vs 2021
- Increase in pig slaughter
 - ↑ 3% vs 2021
- Feed and energy prices ↑ sharply
 - Feed prices ↑ 34% vs 2021
- **Margins ↓ substantially**
 - ↓ 36% vs 2021

Income estimate for 2022



- **Output Prices**
 - ↑ substantially for milk, cereals
 - ↑ significantly for pigs, prime cattle
 - ↑ slightly for lamb, young cattle

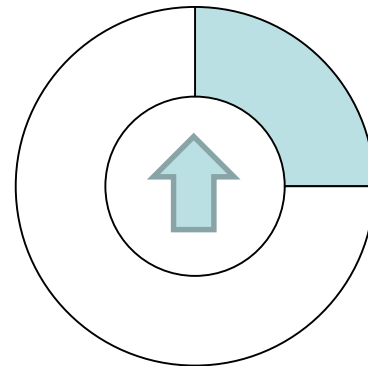
- **Output Volumes**
 - ↑ for cereals, cattle, sheep
 - ↔ for milk
 - ↓ for pigs

- **Output Value**
 - ↑ substantially

- **Input Expenditure**
 - Total Costs ↑ significantly
 - Prices ↑ for feed, fertiliser & fuel

- **Support payments**
 - Payments ↑ 5% in 2022
 - Fodder Support Scheme
 - Tillage measures

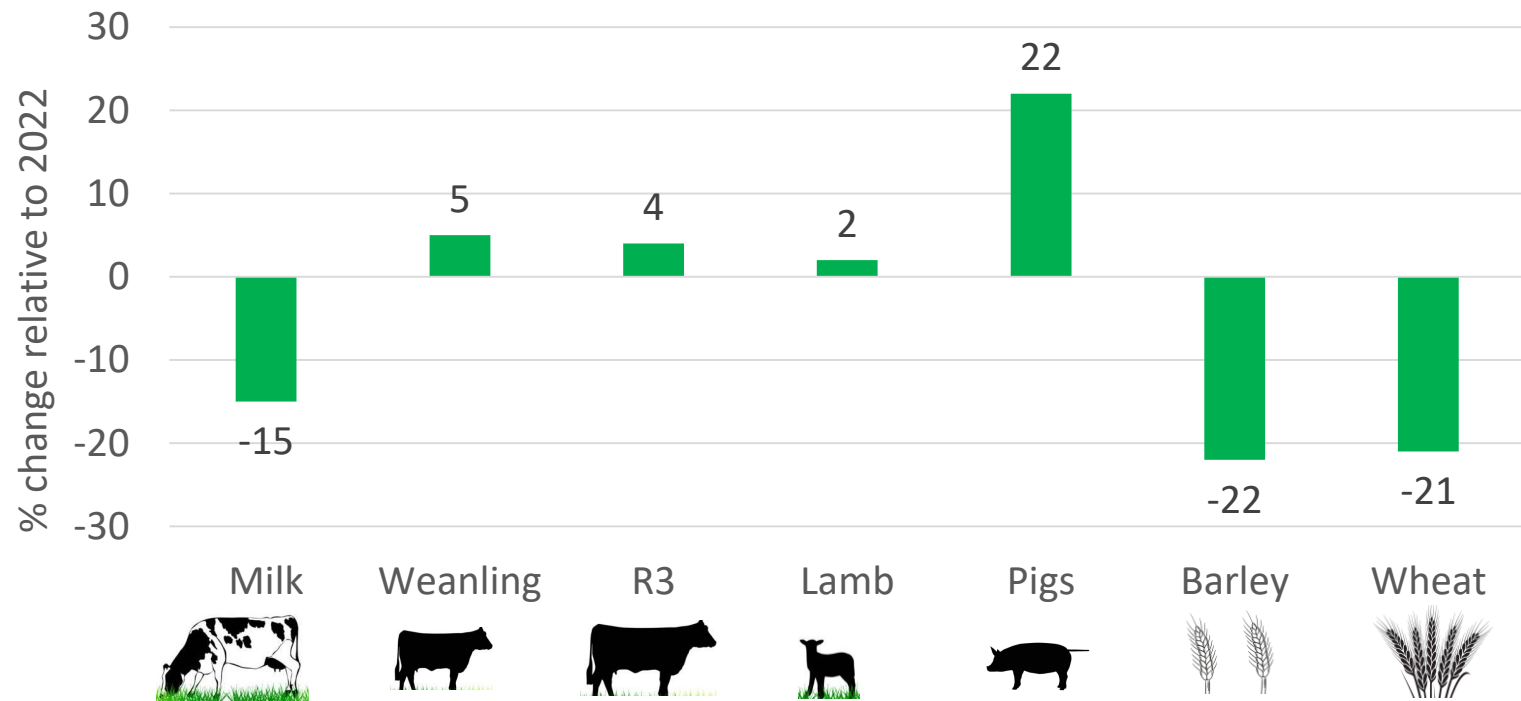
**Average NFS Farm
Income**



Up 25%



Percentage Price Change 2023f vs 2022e





Dairy

- Lower Milk price ↓ 15%
- Higher Milk production
 - ↑ 4% vs 2022
- Fertiliser prices
 - ↔ vs 2022
- Feed prices ↑ 10%
- Fuel prices ↓ 18% (farm diesel)
- Margins ↓ significantly
- *Average income
 - € 104,000 (↓ 30%)

Outlook of 2023



Cattle

- Minor cattle price changes
 - ↑ 4% Prime Cattle vs 2022
 - ↑ 5% Young Cattle vs 2022
- Production volume ↔
- Fertiliser prices
 - ↔ vs 2022
- Margins ↑ slightly
- Support payments ↑
- *Average CR income
 - € 9,700 (↑ 11%)
- *Average CO income
 - € 17,300 (↑ 2%)

*2023 figures are forecasts contingent on assumptions

Outlook for 2023



Sheep

- Slight increase in lamb price
 - ↑ 2% vs 2022
- Feed prices ↑ 10%
- Fertiliser prices
 - ↔ vs 2022
- Margins ↓ slightly on the 2022 level
- Support payments ↑
- Average Sheep income
 - € 19,500 (↓ 2%)



Tillage

- Cereal prices down significantly
 - ↓ 21% vs 2022
- Yields ↓
 - trend yield assumed
- Fertiliser prices
 - ↑ 10% vs 2022
- Fuel prices ↓ 18% (farm diesel)
- Margins ↓ substantially
- Support payments ↑
- Average Tillage income
 - € 33,000 (↓ 48%)



Outlook for 2023

Pigs

- Rise in pig prices
 - ↑ 22% vs 2022
- Decrease in pig slaughter
 - ↓ 5% vs 2022
- Feed prices up slightly
 - ↑ 3% vs 2022
- Margins up substantially
 - ↑ 135% vs 2022

Income forecast for 2023



- **Output Prices**
 - ↑ for cattle, sheep, pigs
 - ↓ for milk and cereals

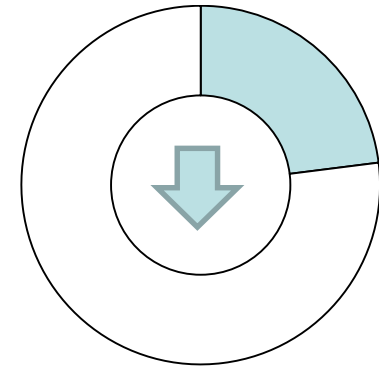
- **Output Volumes**
 - ↑ for milk
 - ↔ for cattle, sheep,
 - ↓ for cereals, pigs

- **Output Value**
 - ↓ considerably

- **Input expenditure**
 - Total Costs ↑ slightly
 - Price ↑ for feed
 - Price ↔ for fertiliser
 - Price ↓ for fuel
 - Volume changes limited







- **Support payments**
 - Up on the 2022 level
 - Additional exchequer support in new CAP

Average NFS Farm Income



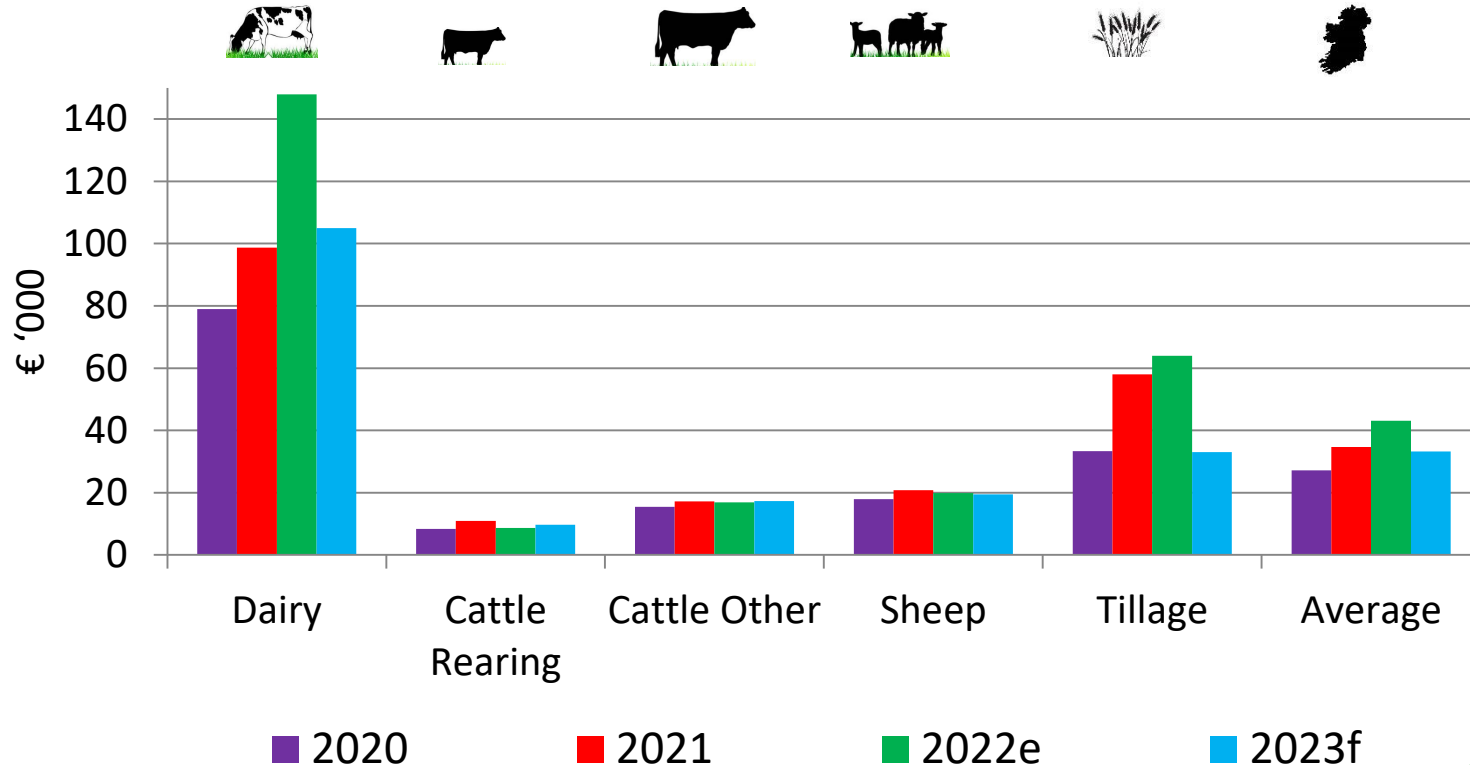
down 23%

NFS Family Farm Income 2020, 2021, 2022e & 2023f

		2020	2021	2022e	2023f	2022e vs 2021	2023f vs 2022e
		'000 Euro				% change	% change
Dairy		79.0	98.7	148.0	104.0	+50	-30
Cattle Rearing		8.4	10.9	8.7	9.7	-20	11
Cattle Other		15.5	17.2	16.9	17.3	-2	2
Sheep		17.9	20.8	19.9	19.5	+4	-2
Tillage		33.3	58.0	64.0	33.0	+10	-48
Average		27.2	34.7	43.1	33.2	+25	-23

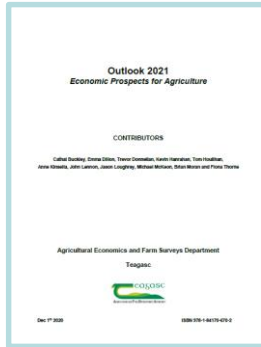
Note: Figures are rounded for the purposes of presentation

NFS Family Farm Income 2020, 2021, 2022e & 2023f



Need to know more?

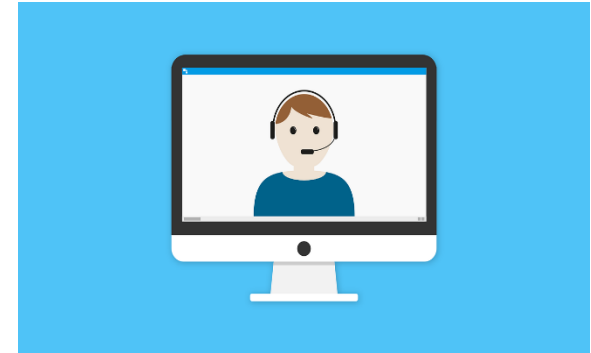
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Detailed report



Slides



Webinar

End