

NOVEMBER 28TH 2023

OUTLOOK 2024

Situation and Outlook for Irish Agriculture

CATTLE



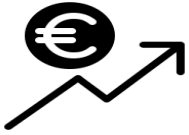
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REVIEW OF 2023

Situation and Outlook for Irish Agriculture



2023



3.5% increase in
steer prices



2% decrease in input
costs per hectare



7% increase in
Weanling prices



15% increase - gross
margin per hectare on
cattle rearing



5% increase in Store
prices



1% decrease - gross
margin per hectare on
cattle finishing



4% decrease in beef
production



Single Suckling Enterprise – Margins improve in 2023



Gross Output Up 5%

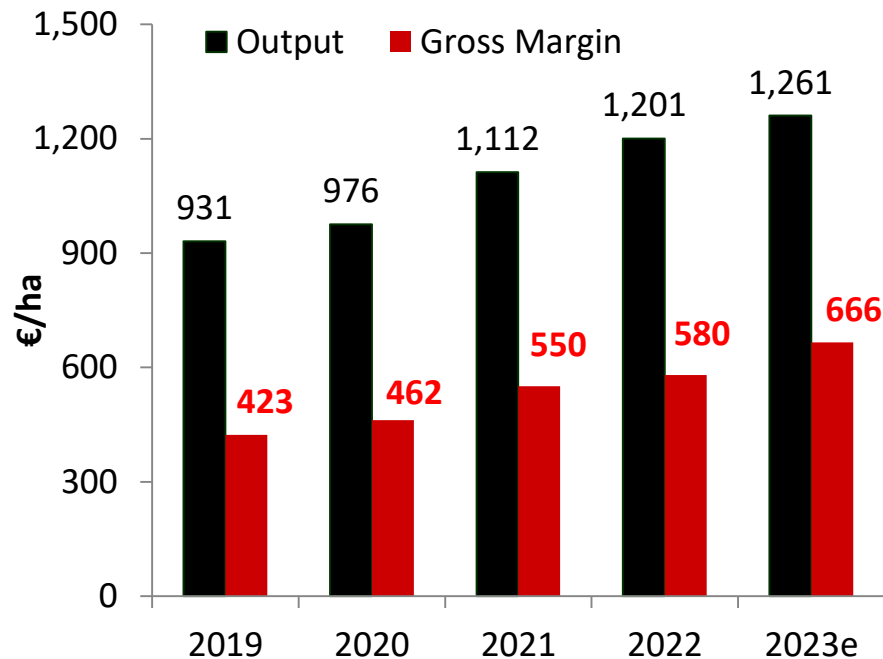
Gross Margin Up 15%

Total Costs Down 2%

Average Net Margin Per Hectare

- -€80 in 2022
- Break-even in 2023

Source: Author's estimates using Teagasc National Farm Survey data



Average Output & Margin 2019-2022, 2023 estimate

Single Suckling Enterprise (Top One-Third)

Margins Up in 2023



Gross Output Up 5%

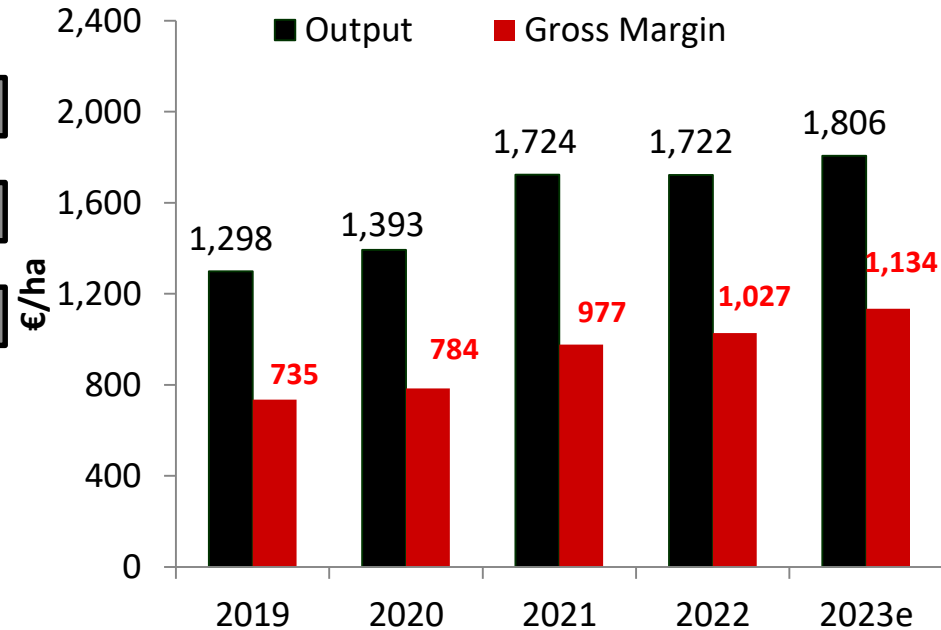
Gross Margin Up 10%

Total Costs Down 1%

Average Net Margin Per Hectare

- +€242 in 2021
- +€176 in 2022
- +€275 in 2023

Source: Author's estimates using Teagasc National Farm Survey data



Average Output & Margin 2019-2022, 2023 estimate

Cattle Finishing

Average Net Margin positive but down in 2023



Gross Output Down 3%

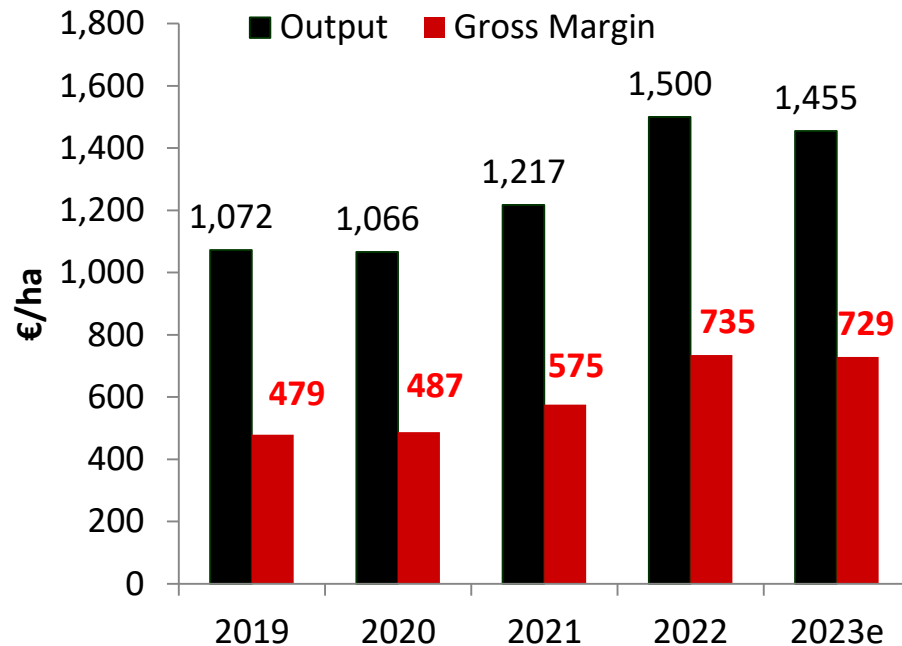
Gross Margin Down 1%

Total Costs Down 2.5%

Average Net Margin Per Hectare

- +€60 in 2022
- +€49 in 2023

Source: Author's estimates using Teagasc National Farm Survey data



Average Output & Margin 2019-2022, 2023 estimate

Cattle Finishing (Top One-Third)

Margins Down slightly in 2023



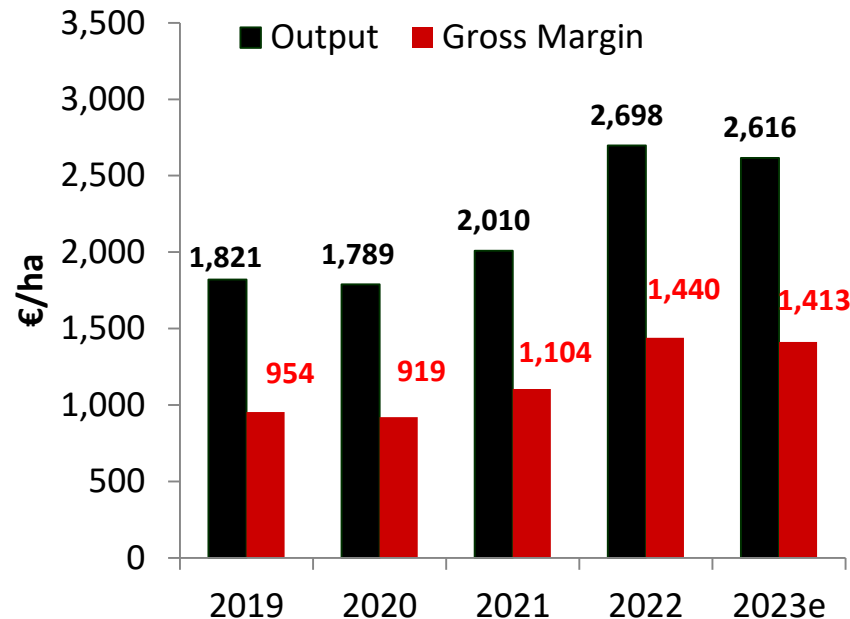
Gross Output Down 3%

Gross Margin Down 1%

Total Costs Down 2.5%

Average Net Margin Per Hectare

- +€370 in 2022
- +€335 in 2023

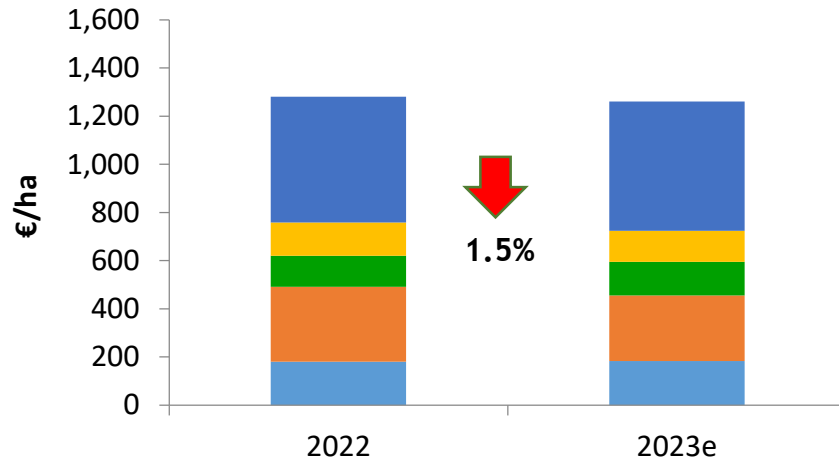


Average Output & Margin 2019-2022, 2023 estimate

Source: Author's estimates using Teagasc National Farm Survey data

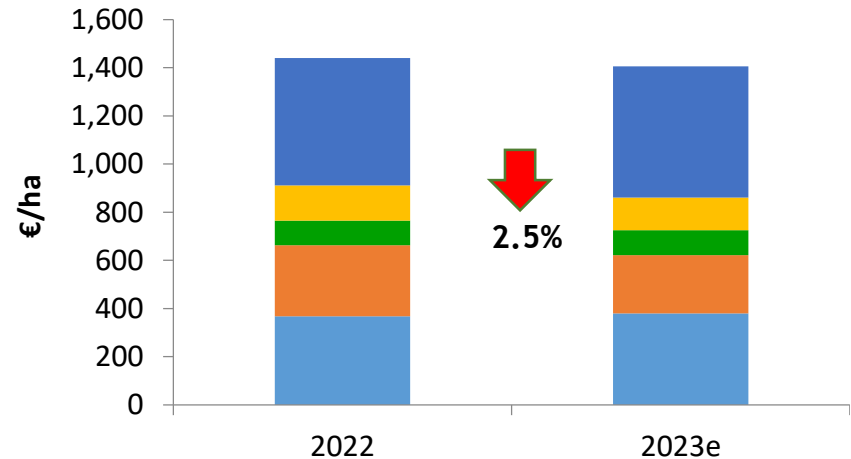
Input Expenditures Down slightly in 2023

Single Suckling Enterprise



- Concentrate Feeds
- Pasture and Forage
- Other Direct Costs
- Energy & Fuel
- Other Overhead Costs

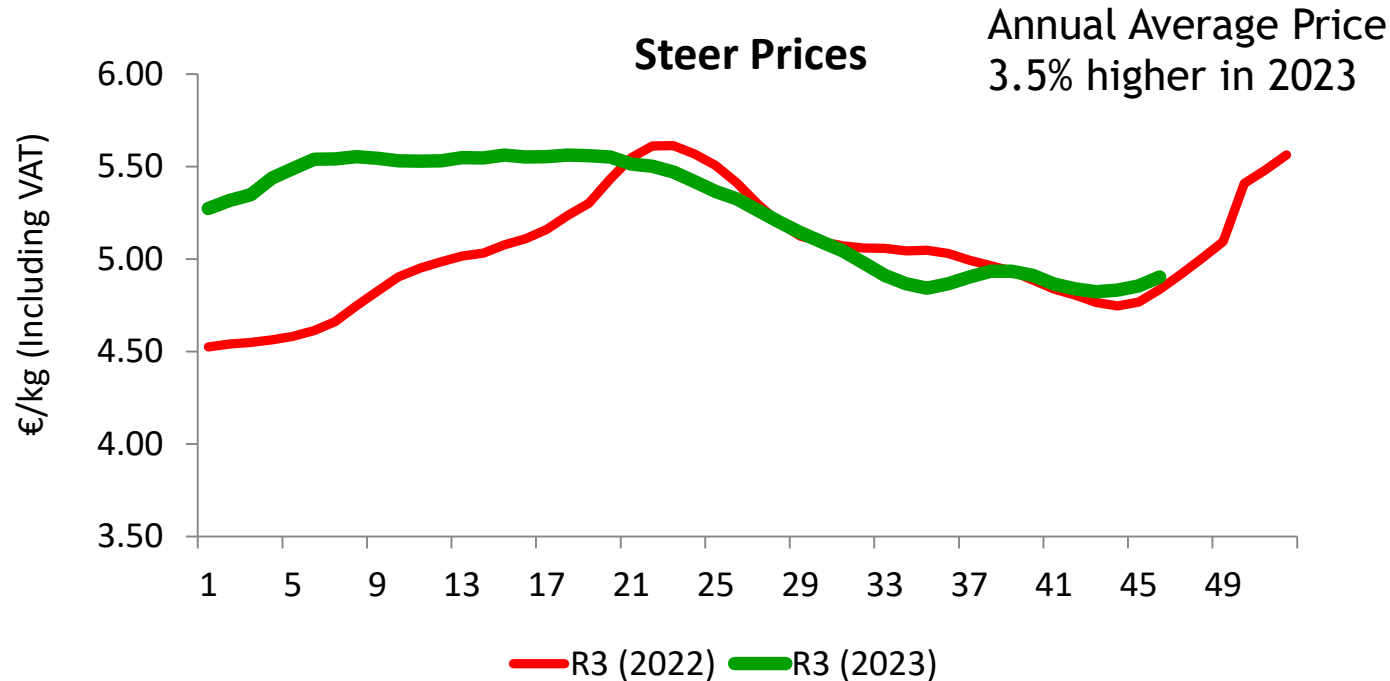
Cattle Finishing Enterprise



- Concentrate Feeds
- Pasture and Forage
- Other Direct Costs
- Energy & Fuel
- Other Overhead Costs

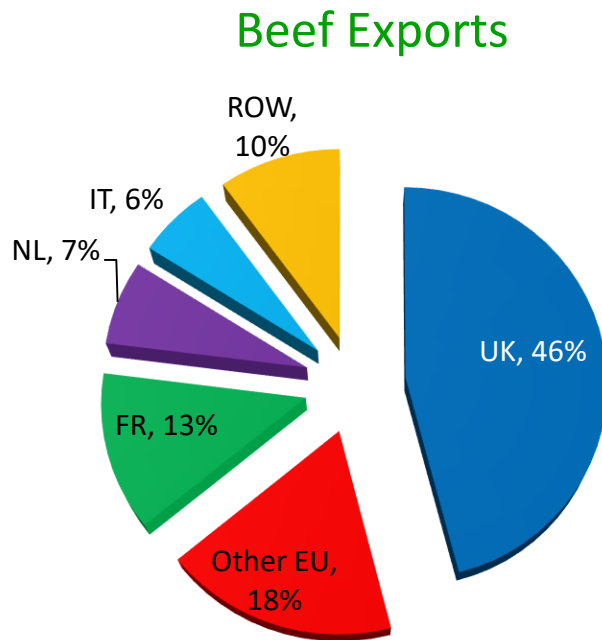
Source: Authors' estimate for 2023

Irish Beef Prices are Volatile but Higher in 2023



Source: European Commission and DAFM up to Week 46 of 2023

Beef Exports to the UK higher in 2023



Source: Eurostat COMEXT (year through August)

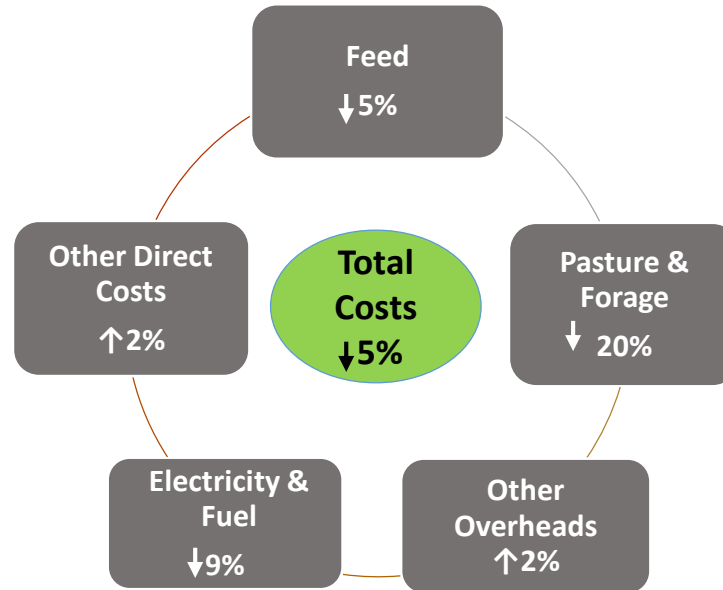
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OUTLOOK FOR 2024

Situation and Outlook for Irish Agriculture



Input Expenditures fall in 2024



EU Beef Supply and Use Balance 2024

- EU Production down in 2024
- Consumer beef prices at record levels
- EU Consumption down after large price increases in 2022
- Tightness continues in the supply and use balance

	2018	2019	2020	2021	2022	2023e	2024f
Net Production	7,067	6,964	6,903	6,883	6,722	6,514	6,449
Domestic use	6,843	6,774	6,617	6,600	6,562	6,372	6,315
Difference	224	190	286	283	170	142	134
Imports	371	387	306	284	353	346	
Exports	595	577	593	567	513	487	

Source: European Commission Short-term Outlook
Units: Thousand tonnes (CWE)

2024 – Outlook



3% increase in steer prices



3% increase in Young cattle prices



4% decrease in beef production



2% decrease in total input costs on cattle rearing



4% decrease in total input costs on cattle finishing



8% increase in gross margin on cattle rearing



7% increase in gross margin on cattle finishing

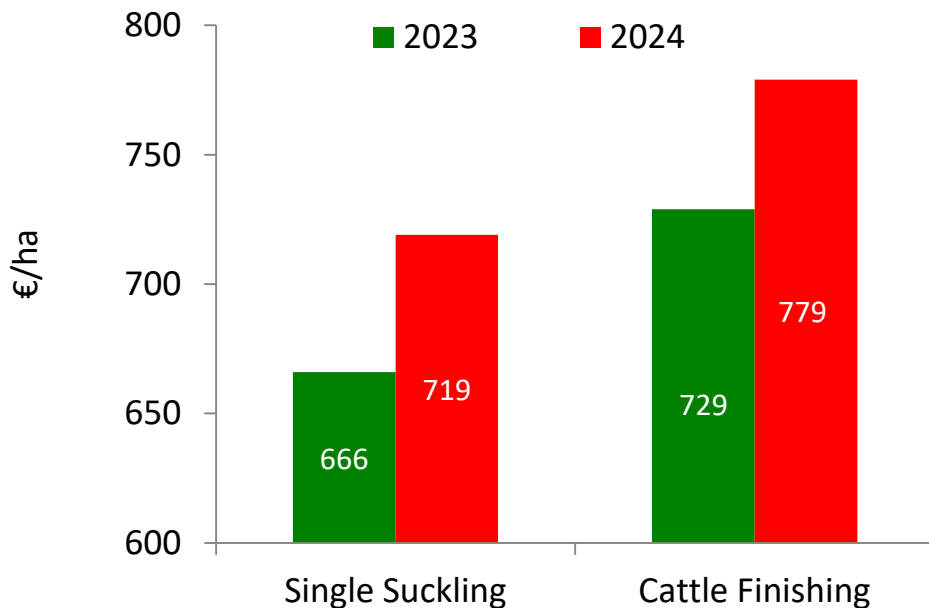


Average cattle enterprise earns positive net margin in 2024

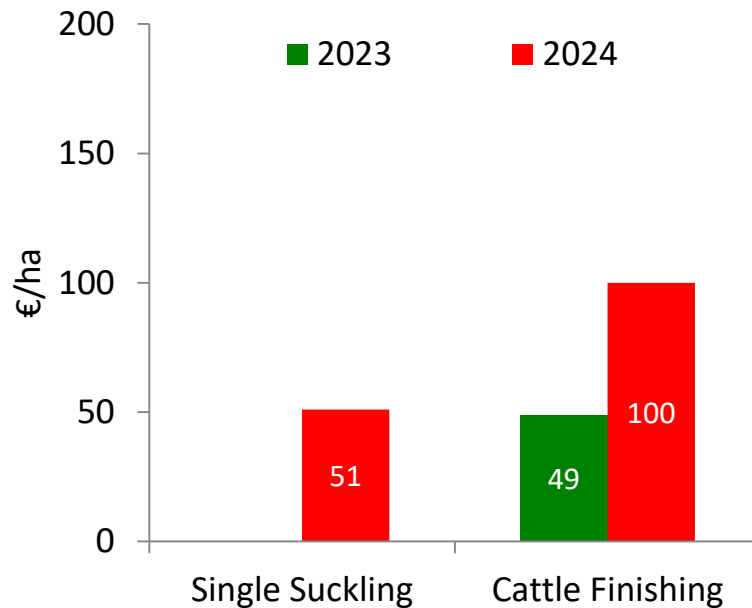


Cattle Margins improve in 2024

**Gross Margin per hectare forecast
Single Suckling and Cattle Finishing**



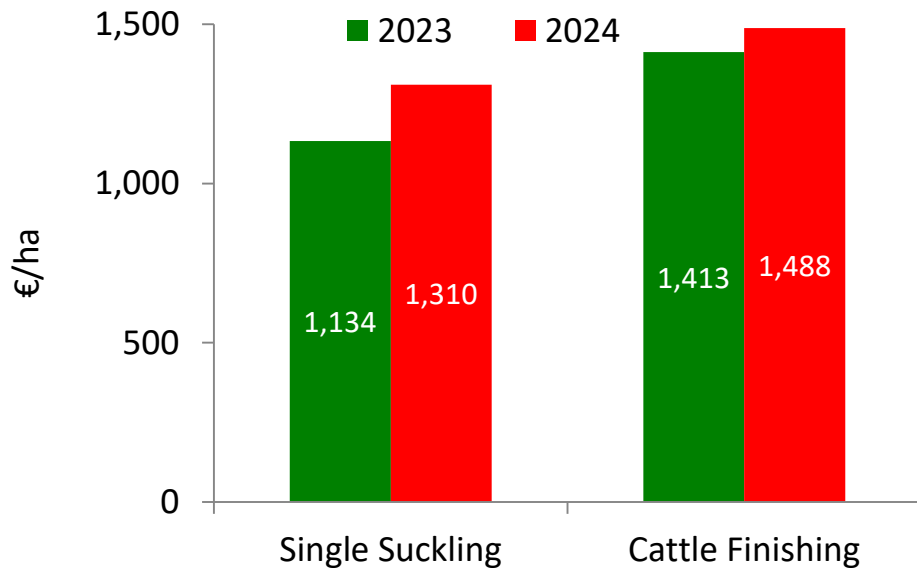
**Net Margin per hectare forecast
Single Suckling and Cattle Finishing**



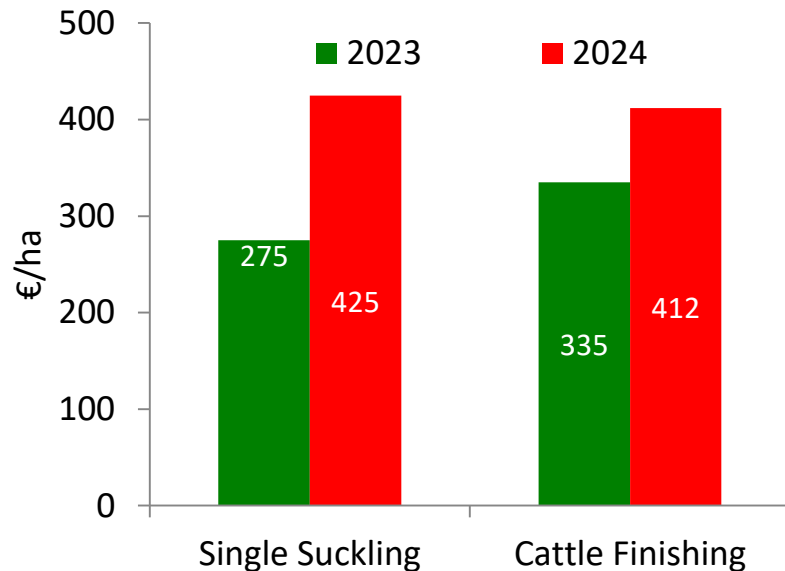
Source: Authors' estimate for 2023 and forecast for 2024

Top One-Third Cattle Margins in 2024

**Gross Margin per hectare forecast
Single Suckling and Cattle Finishing**



**Net Margin per hectare forecast
Single Suckling and Cattle Finishing**



Source: Authors' estimate for 2023 and forecast for 2024

Conclusion

2023

- Higher cattle rearing farm income
- Finished cattle prices seasonal
- Higher costs in Q1 but declining slowly during the year
- Fertiliser prices down
- Consumer prices stable or increasing globally

2024

- Costs of production falling
- Domestic production declines
- EU production declines
- UK production stable
- Moderately rising cattle prices
- Consumer demand in key export destinations
- EU export share

Thank You

