

NOVEMBER 28TH 2023

OUTLOOK 2024 FARM INCOME



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**

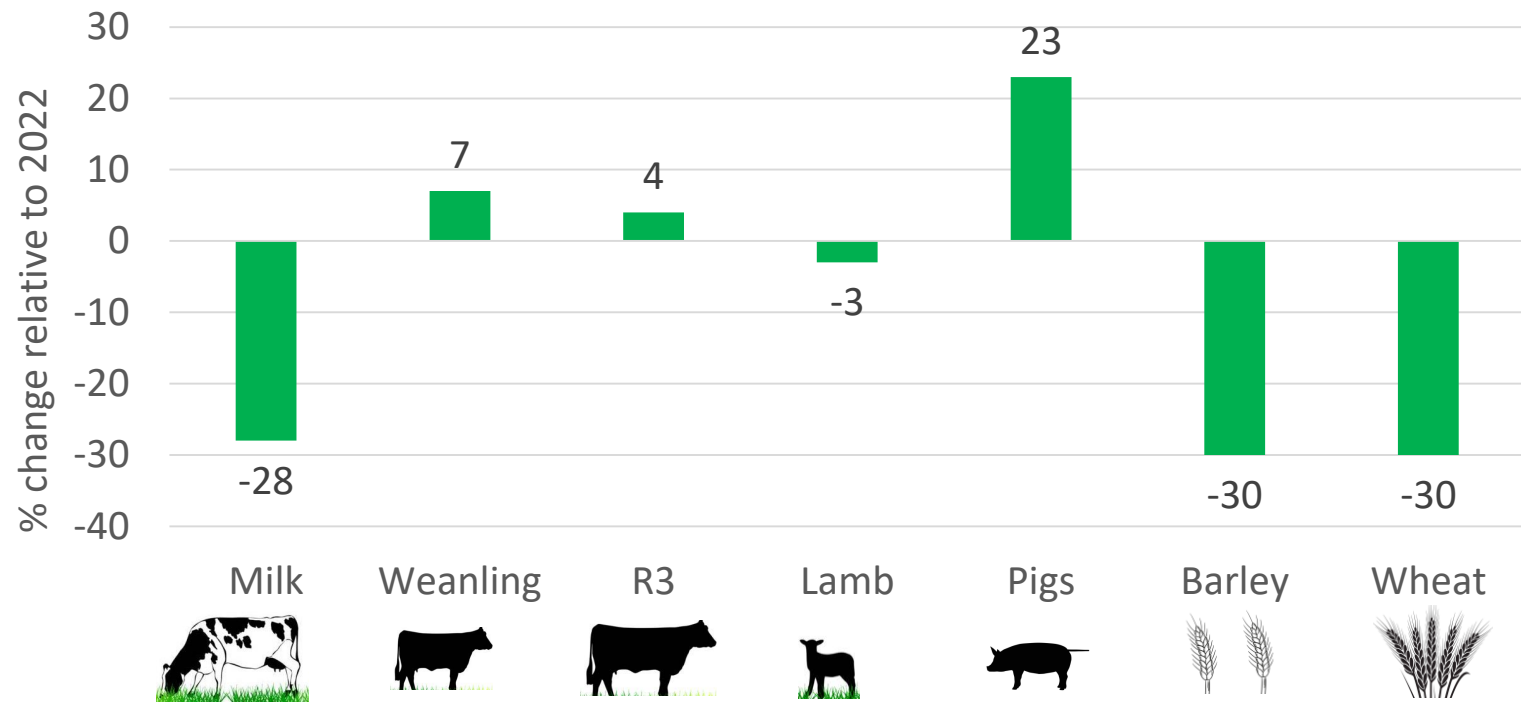


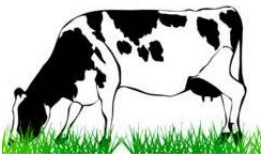
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REVIEW OF 2023



Percentage Price Change 2023e vs 2022f





Review of 2023e



Dairy

- Sharp fall in milk price
 - ↓ 28% vs 2022
- Stable milk production
 - ↓ 1% vs 2022
- Feed prices up marginally
 - ↑ 2% vs 2022
- Fertiliser & fuel prices down significantly
 - ↓ 20% and ↓ 15% respectively vs 2022
- Margins ↓ **substantially**
- *Average Dairy income vs 2022
 - € 59,000 (↓ 60%)

Cattle

- Marginally higher cattle prices
 - ↑ 4% for Prime Cattle vs 2022
 - ↑ 7% for Young Cattle vs 2022
- Production volume ↓
- Feed prices up marginally
 - ↑ 2% vs 2022
- Fertiliser & fuel prices down significantly
 - ↓ 20% and ↓ 15% respectively vs 2022
- Margin changes dependent on subsystem
- *Average Cattle income vs 2022
 - Cattle Rearing € 10,300 (↑ 24%)
 - Cattle Other € 18,600 (no change)



Review of 2023e



Sheep

- Slight drop in lamb price
 - ↓ 3% vs 2022
- Increase in lamb/sheep volume
 - ↑ 1% vs 2022
- Feed prices up marginally
 - ↑ 2% vs 2022
- Fertiliser & fuel prices down significantly
 - ↓ 20% and ↓ 15% respectively vs 2022
- **Margins ↑**
- ***Average Sheep income vs 2022**
 - **€ 17,000** (↑ 4%)

Tillage

- Cereal prices down substantially
 - ↓ 30% vs 2022
- Production down significantly
 - ↓ 20% vs 2021
- Fertiliser & fuel prices down significantly
 - ↓ 15% and ↓ 18% respectively vs 2022
- **Margins ↓ substantially**
- ***Average Tillage income vs 2022**
 - **€ 30,000** (↓ 61%)

*2023 figures are estimates. Actual figures will be available from NFS in mid 2024



Review of 2023e

Pigs

- Significant increase in pig price
 - ↑ 23% vs 2022
- Decline in pig slaughter
 - ↓ 9% vs 2022
- Slight drop in Feed price
 - Feed prices ↓ 3% vs 2022
- **Margins ↑ substantially**
 - ↑ 167% vs 2022
 - 69c per kg dwt

*2023 figures are estimates. Actual figures will be available in 2024

Income estimate for 2023e*



- **Output Prices**

- ↑ **substantially for pigs**
- ↑ marginally for cattle
- ↓ **substantially for milk, cereals,**
- ↓ marginally for lamb

- **Output Volumes**

- ↑ marginally for lamb
- ↓ **substantially for cereals, pigs**
- ↓ **moderately for cattle**
- ↓ marginally for milk

- **Output Value**

- ↓ **substantially**

- **Input Expenditure**

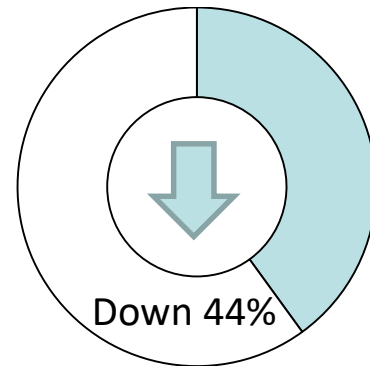
- ↓ slightly for Total Costs
- ↓ prices for fertiliser & fuel

- **Support payments**

- Payments broadly in line with 2022
- Some additional tillage measures

Average NFS Farm Income

Decline in average income heavily driven by the fall in milk price

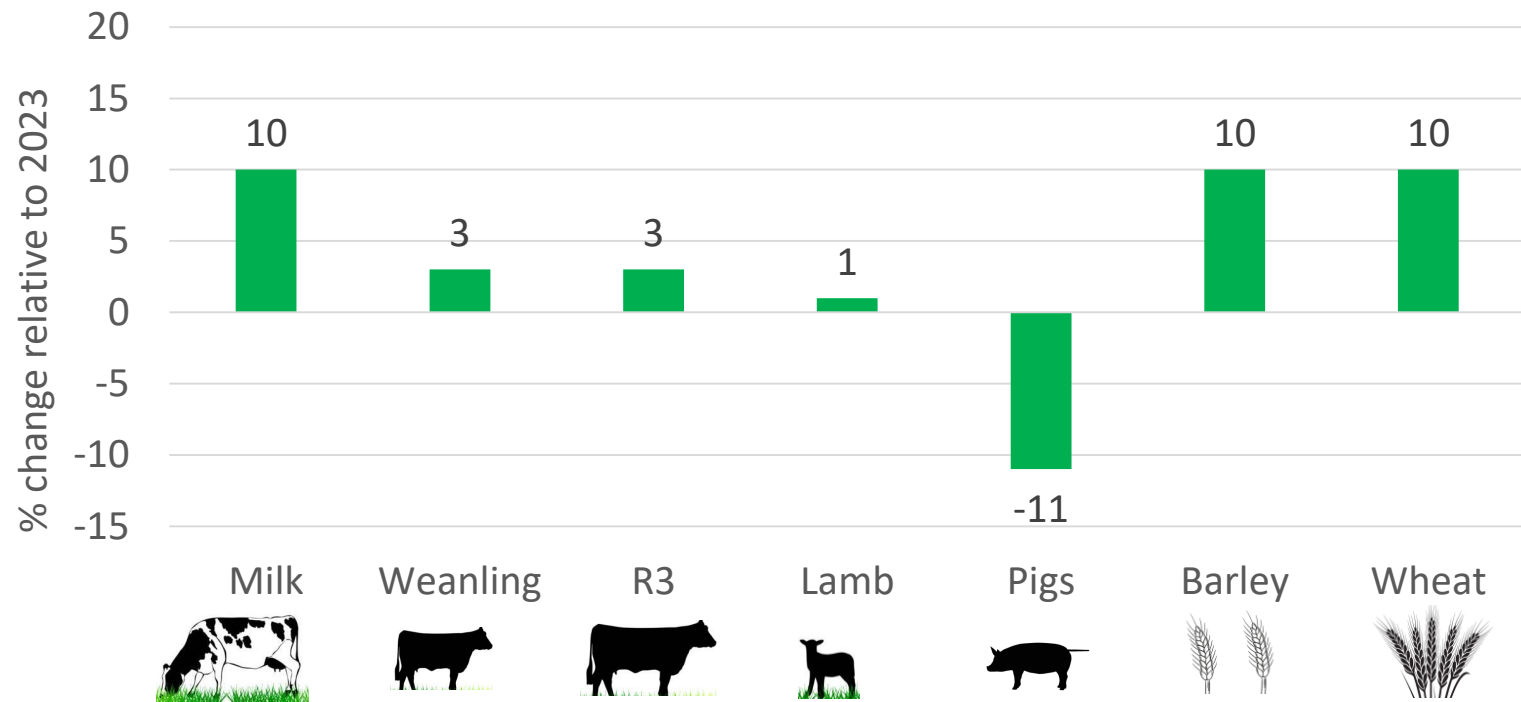


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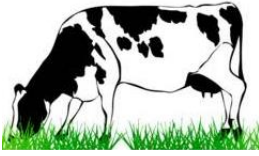
OUTLOOK FOR 2024



Percentage Price Change 2024f vs 2023e



*2024 figures are forecasts contingent on assumptions



Dairy

- Higher Milk price
 - ↑ 10% vs 2023
- Stable Milk production
 - ↔ 0% vs 2023
- Fertiliser prices
 - ↓ 35% vs 2023
- Feed prices
 - ↓ 1%
- Fuel prices down slightly
 - ↓ 9% (farm diesel) vs 2023
- Margins ↑ significantly
- *Average Dairy income vs 2023
 - **€ 86,000** (↑ 46%)

Outlook of 2024f



Cattle

- Minor cattle price increase
 - ↑ 3% Prime Cattle vs 2023
 - ↑ 3% Young Cattle vs 2023
- Production volume ↓
- Fertiliser prices
 - ↓ 35% vs 2023
- Fuel prices down slightly
 - ↓ 9% (farm diesel) vs 2023
- Margins ↑ slightly
- Support payments
 - ↔ 0% vs 2023
- *Average Cattle income vs 2023
 - **Cattle Rearing € 11,500** (↑ 12%)
 - **Cattle Other € 20,100** (↑ 8%)

Outlook for 2024f



Sheep

- Slight increase in lamb price
 - ↑ 1% vs 2023
- Feed prices
 - ↓ 1% vs 2023
- Fertiliser prices
 - ↓ 35% vs 2023
- Fuel prices down slightly
 - ↓ 9% (farm diesel) vs 2023
- Margins ↑ slightly on the 2023 level
- Support payments ↔
- Average Sheep income vs 2023
 - **€ 18,300** (↑ 8%)



Tillage

- Cereal prices up slightly
 - ↑ 10% vs 2023
- Yields ↑
 - trend yield assumed
- Fertiliser prices down significantly
 - ↓ 35% vs 2023
- Fuel prices down slightly
 - ↓ 9% (farm diesel) vs 2023
- Margins ↑ substantially
- Support payments ↔
- Average Tillage income vs 2023
 - **€ 50,000** (↑ 67%)

*2024 figures are forecasts contingent on assumptions



Outlook for 2024f

Pigs

- Drop in pig prices
 - ↓ 11% vs 2023
- Stable pig slaughter
 - ↔ 0% vs 2023
- Feed prices down
 - ↓ 12% vs 2023
- Margins down appreciably
 - ↓ 12% vs 2023
 - **61c per kg dwt**

*2024 figures are forecasts contingent on assumptions

Income forecast for 2024f*



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

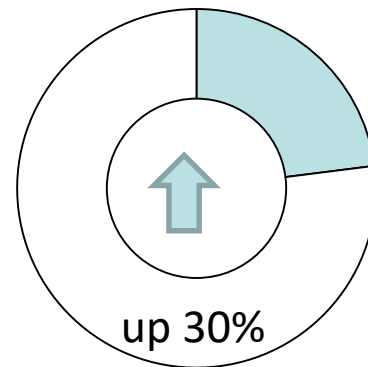
- **Output Volumes**
 - ↑ **cereals**
 - ↔ for **milk, pigs**
 - ↓ for **cattle, sheep**

- **Output Value**
 - ↑ **considerably**

- **Input expenditure**
 - ↓ **Total Costs slightly**
 - ↔ **feed price**
 - ↓ **fertiliser price**
 - ↓ **fuel price**
 - **Volume changes limited**

- **Support payments**
 - Broadly in line with the 2023 level
 - Dependent on scheme participation

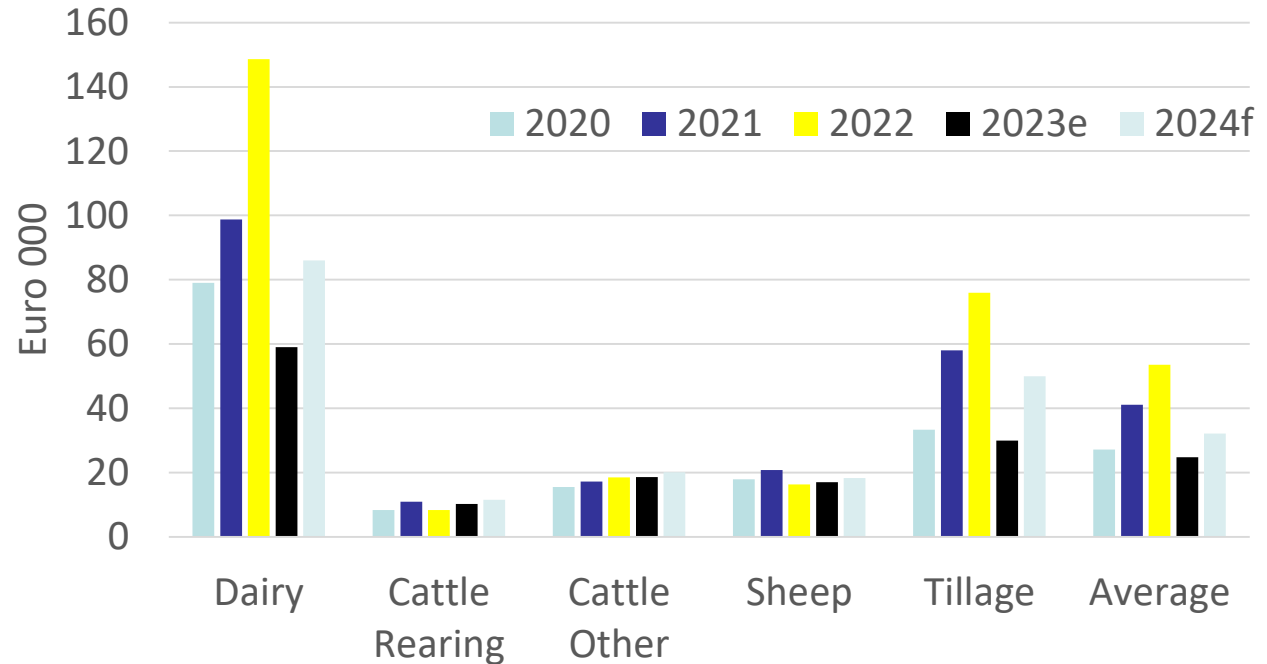
Average NFS Farm Income



Increase in average income heavily driven by recovery in milk price

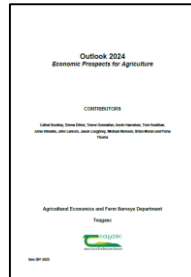
*2024 figures are forecasts contingent on assumptions

NFS Family Farm Income 2021, 2022, 2023e & 2024f



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Detailed report



Slides



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QUESTIONS AND DISCUSSION

