Teagasc National Farm Survey 2022

Dairy Beef
Enterprise Factsheet

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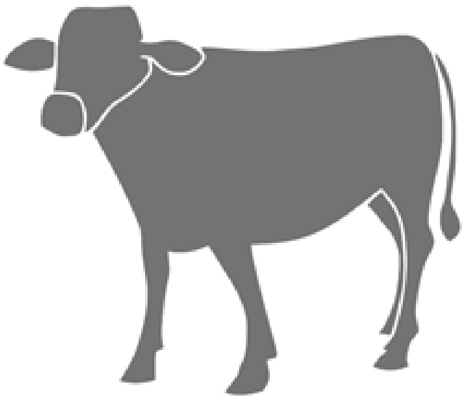
Irish Dairy Beef Enterprise 2022
Average performance

Irish Cattle Slaughter
1.911 million head (up 6.6%)

Stocking Rate (Dairy Beef)
average of 1.58 LU/ha (up 2.8%)

Live Exports
286,265 head (up 15.8%)

Concentrate Fed/LU (Dairy Beef)
average 777kg (up 18.6%)



Calf purchase price
average €169/head (down 12%)

Weanling purchase price
average €539/head (up 6.7%)

Male Finished Animals Price
average €1,449 per head (up 14%)

Total Production Costs (Dairy Beef)
average €1,828 per hectare (up 32.5%)

Female Finished Animals Price
average €1,228 per head (up 9%)

Gross Margin (Dairy Beef)
average €814 per hectare (up 10.9%)

Source: Teagasc National Farm Survey 2022, Central Statistics Office and Dept. of Agriculture, Food and the Marine

Background

The 2022 Teagasc National Farm Survey (NFS) recorded data on 795 farms. The performance of the dairy beef enterprise in 2022 is summarised here and is based on data for 40 farms. An enterprise is defined as a dairy beef enterprise if over two-thirds of the animals purchased and sold are of dairy origin. The farm must have sold more than 10 cattle (older than 12 months) and purchased a minimum of 10 cattle (aged less than 6 months). Dairy farms are excluded from the analysis. Approximately 5,000 farms nationally are represented in this analysis. The data presented here are for enterprises with more than 10 livestock units (LU) in 2022.

1. Analysis of Financial Performance

The profit figures reported here exclude all decoupled payments and any costs relating to family labour. In 2022, gross output on dairy beef enterprises increased by 25%, to an average of €1,868 per hectare. Concentrate costs increased notably by 58%, due to higher concentrate feed prices and higher feed volumes. Pasture and forage costs increased by 41%. The average gross margin was 11% higher in 2022, with an average of €814 per hectare. Total fixed costs increased by 24% on average in 2022, partly due to a 15% increase in electricity and fuel costs. Net margin per hectare on dairy beef enterprises was €41 per hectare on average in 2022, a decline from the average of €111 per hectare achieved in 2021.

Table 1: Average gross margin and average net margin 2021 and 2022

	2021 € per hectare	2022 € per hectare	2022/2021 % change
Gross Output	1,490	1,868	25
Concentrate Costs	337	535	58
Pasture and Forage Costs	251	354	41
Other Direct Costs	167	166	-1
Total Direct Costs	756	1,054	40
Gross Margin	734	814	11
Electricity and Fuel	135	156	15
Other Fixed Costs	488	617	26
Total Fixed Costs	623	773	24
Total Costs	1,379	1,828	33
Net Margin	111	41	n/a

Source: Teagasc National Farm Survey 2022

Table 2 illustrates that the average gross output per LU increased 24% to €1,168/LU in 2022, with average gross margin increasing 12% to €499/LU. The average net margin on a per LU basis declined from €26 in 2021 to break-even in 2022.

Table 2: Average, gross and net margin 2021 and 2022

	2021 € per LU	2022 € per LU	2022/2021 % change
Gross Output	942	1,168	24
Total Direct Costs	498	669	34
Gross Margin	443	499	12
Total Fixed Costs	417	499	20
Net Margin	26	0	n/a

Source: Teagasc National Farm Survey 2022

Table 3 presents the average purchase and sales prices recorded on dairy beef enterprises for the various animal types in 2021 and 2022. Prices for purchased calves (less than 6 months old) decreased by 12% on the levels observed in 2021. The average price of weanlings increased by 7% on the levels observed in 2021. Prices for finished animals increased on the levels observed in 2021, with a 14% increase for male sales and a 9% increase for female sales.

Table 3: Animal purchase and sale prices 2021 and 2022

	2021 € per head	2022 € per head	2022/2021 % change
Calf Purchases	193	169	-12
Weanlings Purchases	505	539	7
Finished Males Sales	1,274	1,449	14
Finished Females Sales	1,125	1,228	9

Source: Teagasc National Farm Survey 2022

2. Variation in Financial Performance

Table 4 summarises results for farms classified into groups on the basis of gross margin per hectare; with dairy beef enterprises broken into the best performing one-third of enterprises (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 for the Top enterprises in 2022 was more than 3 times higher than for the Bottom group of enterprises. In 2022, total direct costs per hectare on the more intensively stocked Top performing enterprises were more than 50 percent higher than the total direct costs per hectare of the less intensively stocked Bottom group. In 2022, total fixed costs per hectare were €1,055 for the Top enterprises, which was over double that of the bottom performing enterprises. The top performing enterprises earned an average positive net margin of €229 per hectare, which was a decline from €433 per hectare in 2022. In 2022, the average net margin in the bottom performing group was negative (-€157 per hectare). These statistics indicate the substantial variability in economic performance across the population of farms operating this enterprise.

Table 4: Costs and profit by Top, Middle and Bottom Cohorts in 2022

		Top	Middle	Bottom
Stocking rate	LU/hectare	2.02	1.63	1.10
Farms on Very Good soils	% of Farms	64.0	45.8	53.4
Gross Output	€/hectare	2,613	1,832	1,272
Concentrates	€/hectare	650	472	492
Pasture and Forage	€/hectare	462	357	260
Other Direct Costs	€/hectare	217	175	114
Total Direct Costs	€/hectare	1,329	1,004	866
Gross Margin	€/hectare	1,284	828	406
Total Fixed Costs	€/hectare	1,055	742	563
Net Margin	€/hectare	229	85	-157

Source: Teagasc National Farm Survey 2022

3. Variation in Technical Performance

The proportion of dairy beef farms attaining the Teagasc 2027 Sectoral Road Map Targets in 2021 and 2022 is set out in Table 5. There was an improvement from 2021 to 2022 in the proportion of farms reaching the gross margin target set out in the Teagasc 2027 Road Map. The proportion of farms earning a gross margin greater than €707 per hectare increased from 48 percent in 2021 to 56 percent in 2022. The proportion of farms earning a net margin greater than €223 per hectare decreased from 40 percent in 2021 to 25 percent in 2022. There was a decline in the proportion of farms meeting the threshold relating to concentrate usage per LU of less than 930 kg per LU. The proportion of farms meeting this target decreased from 82 percent in 2021 to 71 percent in 2022.

Table 5: Percentage of farms achieving selected Teagasc Cattle 2027 Road Map Targets

	Target	% of farms 2021	% of farms 2022
Gross Output per hectare	> €1,906	30	42
Gross Margin per hectare	> €707	48	56
Net Margin per hectare	> €223	40	25
Concentrates per LU	<930kg	82	71

Source: Teagasc National Farm Survey 2022

Table 6 shows that there was a decrease in the proportion of dairy beef farms earning a gross margin per hectare less than €500 with the share falling from 28% to 19%. There was an increase in the proportion of farms earning a gross margin between €500 and €999 per hectare with the percentage of farms in this category increasing from 41% to 52%. There was a slight decrease year-on-year in the proportion of farms earning a gross margin of €1,000 per hectare or above, where the percentage of farms decreased from 31% to 29%.

Table 6: Distribution of gross margin per hectare 2021 and 2022

Gross Margin	% of farms 2021	% of farms 2022
<€500 per hectare	28	19
€500 to €999 per hectare	41	52
€1,000 per hectare and above	31	29

Source: Teagasc National Farm Survey 2022

For further information on this publication or other Teagasc National Farm Survey Publications please contact NFS@teagasc.ie