


NOVEMBER 28TH 2023

# OUTLOOK 2024

Situation and Outlook for Irish Agriculture

## SHEEP





**Focus on the**

**Mid season  
lowland lamb  
enterprise**

- predominant lowland sheep system in Ireland
- only farms with > 20 breeding ewes included



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# REVIEW OF 2023

Situation and Outlook for Irish Agriculture

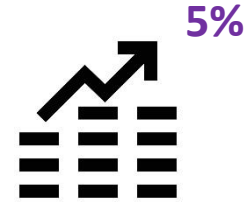


# Gross margins increase 5% in 2023

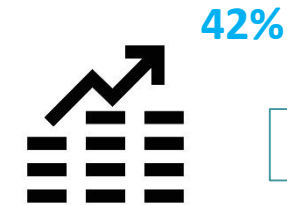


Gross Margin

Net Margin



€905/ha



€186/ha

Output Value



LOWER

Input Spend



LOWER

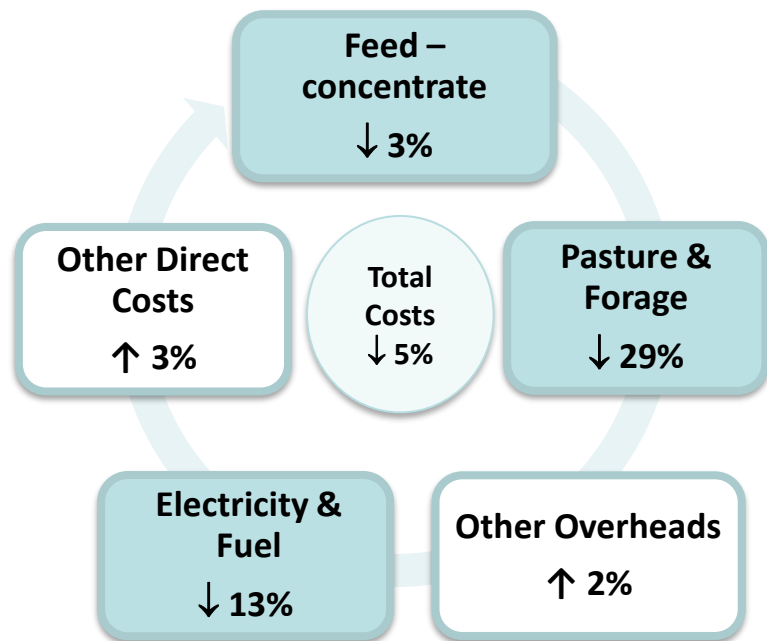
Gross Margin



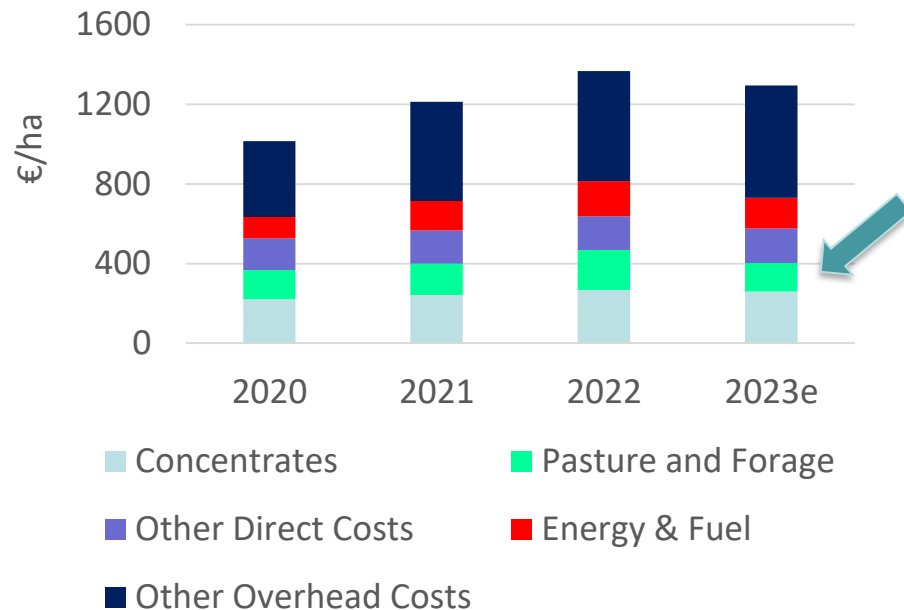
HIGHER

# Decline of 5% in Sheep Total Costs - 2023

## 2023 costs per ha



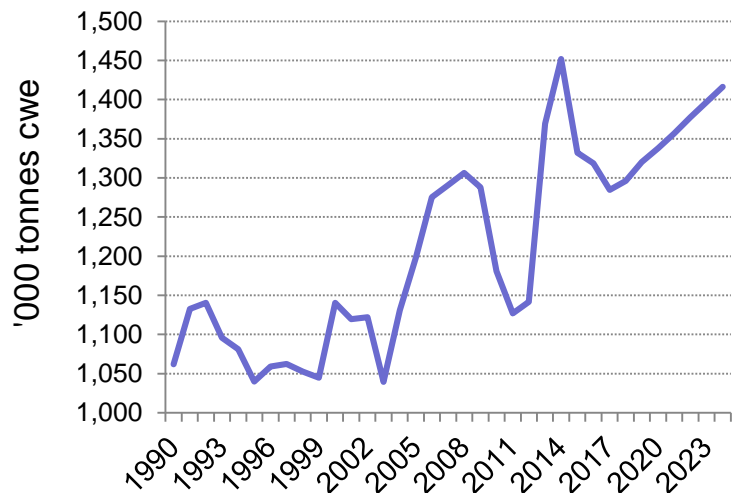
## Average Sheep production costs 2020 – 2023e



**Expenditure change relative to 2022**  
*based on average mid season lowland lamb farm*



# Growth in Global export trade



Source: OCED



Australia



New Zealand



China

International trade - dominated by Australia & NZ

Australia - largest supplier in global market, produces 5 % of world's sheep meat, but a/c 36 % exports

- ↑ in export volumes - multiple yrs favourable weather conditions & flock rebuilding (to 78.75 million heads)
- Further liberalisation of Australia's access to China

China – continues to change the dynamics - largest producer, consumer & importer





# Growth in Global export trade



China

China – Economic activity unpredictable

- expected to continue into 2024 year

IMF forecasts - Chinese economy grow > 5 % in 2023, a further 4.5 % ↑ in 2024

- Chinese D sheep meat imports remain strong '24

China's sheep meat consumption

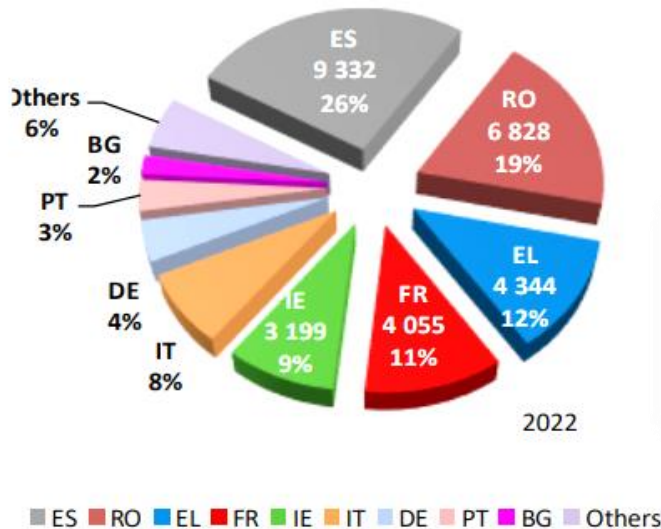
- 90% Domestically produced
- Government ambitions achieving self-sufficiency, limited by scarcity of both land & water





# Decline in EU export trade

**EU Sheep Meat Producers**  
( '000 s laughtered heads)



Ireland

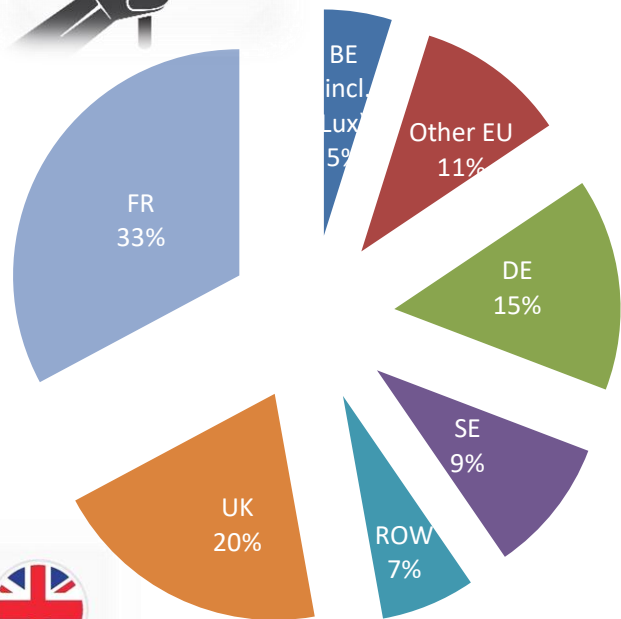


United Kingdom

- Tight EU domestic S & High EU Prices
  - Expected to continue, No recovery in exports forecast for 2024
- EU sheep production - Ireland ranked 5<sup>th</sup>
  - comprising 9% of total heads slaughtered
- UK remains an NB mkt IE sheep meat
  - Production sheep meat set to ↑ in 2023
  - Consumption expected to weaken, linked to recessionary pressures in the UK
  - Expected UK sheep meat exports ↑ in 2023



# Export Markets for Irish lamb – 2023



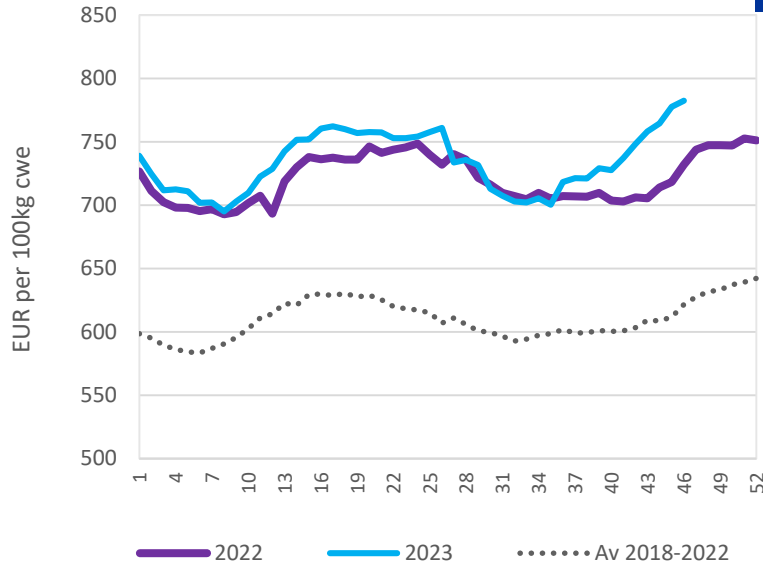
United Kingdom

## Bulk Irish sheep meat destined for foreign markets

- 2022: ↑ 10% on 2021, > 75% exported
- Year to end Sept, exports ↑ 6%
- Highest Proportion to France - 33%
- UK remains NB Mkt - 20% 2023 (17% 2022)
- Lamb P developments Ireland's export markets – critical
- Solid fundamentals – support D Irish lamb
- Ireland's rate self-sufficiency sheep meat ↑ by 36 % - 397%

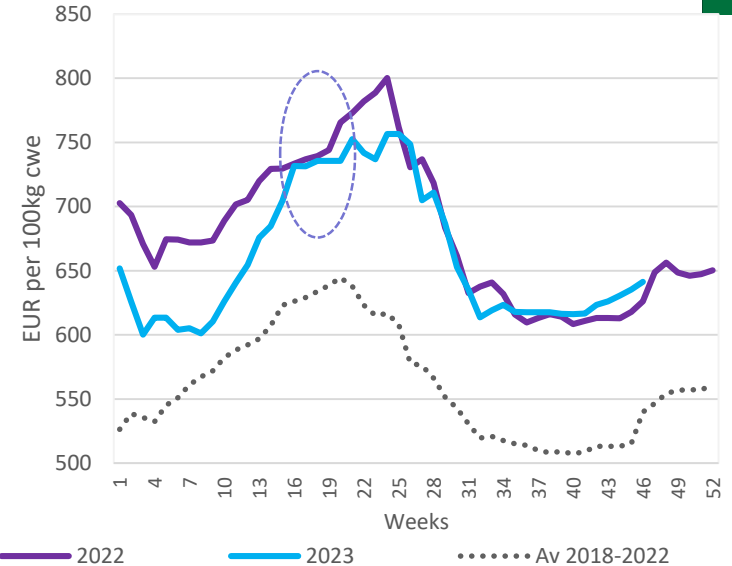
# Slightly Lower Lamb Prices 2023

Evolution of Heavy Lamb prices in EU



Source: DG-Agri-G3, Meat sector

Heavy Lamb Price - Ireland

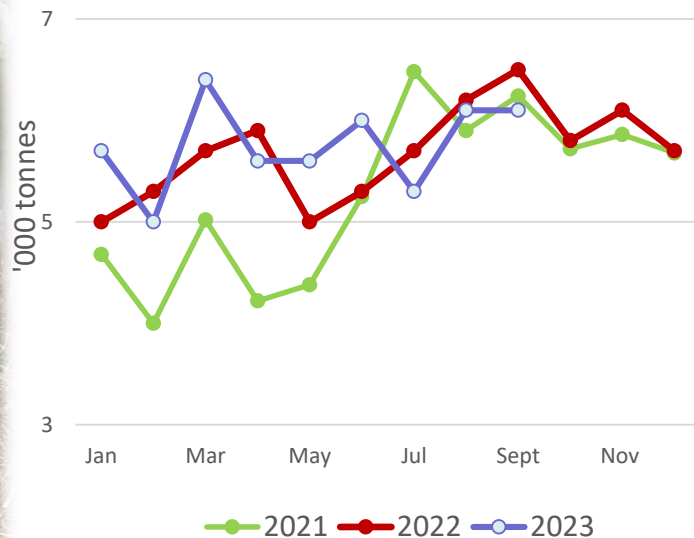


- EU sheep/lamb mkt - characterised by higher P
- Steady EU Domestic D Av. P – > 2% higher ytd
- Well ahead Prices 5 Yr Av period (2018 - 2022)

- Up to Nov 2023 – Lamb P 3% lower
- 2023 P – behind 2022, yet well ahead of 5 Yr Av 2018-2022
- Expectation – P estimate 3% Lower



# Sheep throughput up 2%



- Slaughter '23 – throughput ↑ 2%
- Over 2.3 m heads slaughtered – 0.5% lower (v corresponding period '22)
- Number of ewes slaughtered 14% lower\*
- Cumulative % - Lamb/Hoggets up 9%
- Spring lambs 6% lower



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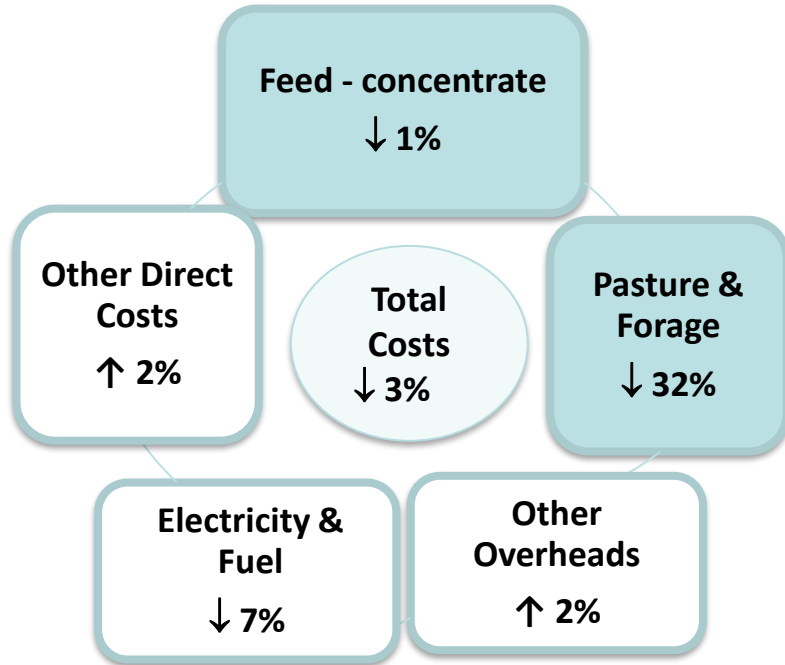
# OUTLOOK FOR 2024

Situation and Outlook for Irish Agriculture



# Forecast 3% decrease in Sheep Total Costs

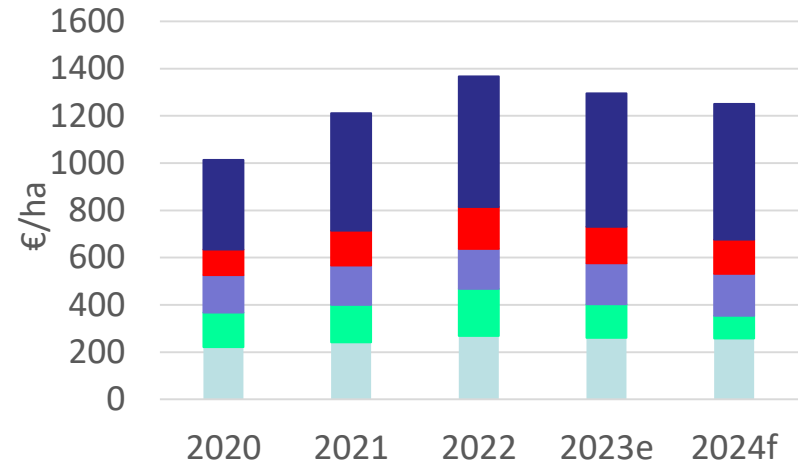
## 2024 costs per ha



## Expenditure change relative to 2023

*based on average mid season lowland lamb farm*

## Average Sheep production costs 2020 – 2023e, 2024f

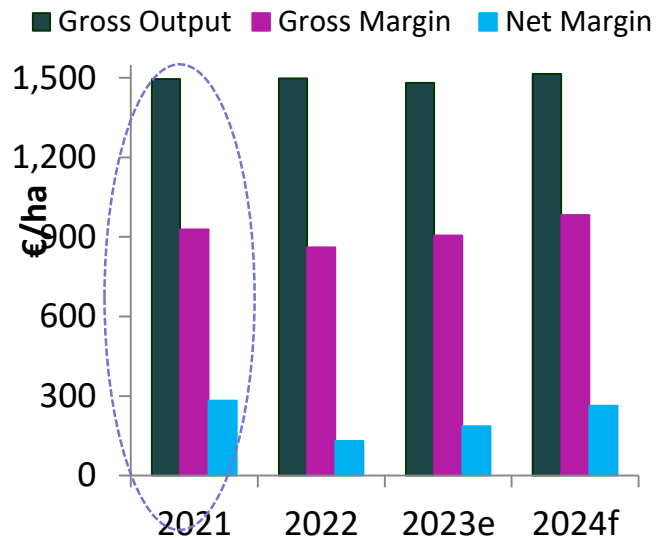
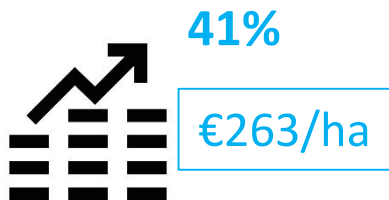


# Increasing Margins – 2024 Forecast

Gross Margin



Net Margin



Output Value



HIGHER

Input Spend



LOWER

Margin



HIGHER



# 2024 – A “moderately positive” Year for Sheep farmers



Relatively Stable EU  
mkt situation, Tight  
Supply



Pasture & forage costs  
Down substantially



Lamb prices – 1%  
modestly higher  
than 2023



Total Costs  
3 % decline



Feed use stable  
Feed prices down 1%



**Gross margins**  
on average €982/ha  
Up 9 %



Other direct costs  
Up 2% on 2023 level




**Net margins**  
forecast to increase  
41% - to €263/ha



NOVEMBER 28TH 2023

# THANK YOU



 @AnneKinsella4  
@kev\_han



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