Teagasc National Farm Survey 2023

Mid-Season Lowland Lamb Enterprise Factsheet

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Athenry
Co Galway
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Ireland

Mid Season Lowland Lamb Factsheet
Average Performance 2023

Irish Sheep Slaughter
3.174 million head (down 0.7%)

Irish Lamb Slaughter
2.75 million head (up 0.3%)

Sheep Meat Exports
77,000 tonnes cwe (up 2.7%)

Irish Breeding Sheep
2.97 million (down 2.8%)

Lamb price
€662/100kg (down 1.7%)

Lamb Carcass kg per ha
down 8%

Total Production Costs
(Mid Season Lowland)
€187 per ewe (down 2%)
€1,258 per ha (down 7%)

Gross Margin
(Mid Season Lowland)
€685 per hectare (down 22%)

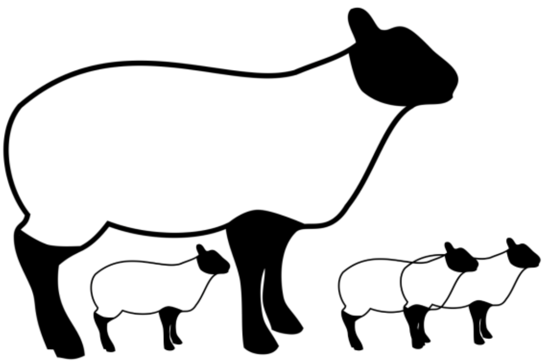
Net Margin
(Mid Season Lowland)
€103 per hectare (down 29%)

Stocking Rate
(Mid Season Lowland)
6.91 ewes/ha (down 4%)

Weaning Rate
(Mid Season Lowland)
1.31 lambs/ewe (down 5%)

Lamb Mortality
(Mid Season Lowland)
7% (up 8%)

Lambs Weaned/ ha
(Mid Season Lowland)
9.31 lambs/ha (down 8%)



Source: Teagasc National Farm Survey 2023 and Central Statistics Office
Note: Percentage changes are relative to 2022

Background

The 2023 Teagasc National Farm Survey (NFS) recorded data on almost 800 farms, representative of almost 85,000 dairy, beef, sheep and tillage farms in Ireland. The full financial results for these farms are available in the Teagasc NFS 2023 Report, which is available at www.teagasc.ie/publications. This factsheet summarises results for farms with a mid-season lamb enterprise and only sheep farms with more than 20 ewes are included in the analysis. The data relates to 68 farms and is nationally representative of 9,559 farms.

1. Analysis of Financial Performance

Margin figures exclude all decoupled payments and costs relating to family labour. Following a decline in sheep margins in 2022, a further decline occurred in 2023, to bring net margins back to the level earned in 2020, which was a low margin year. Despite an 8% increase in coupled payments, lower output volume led to the decline in the value of gross output. Gross output in 2023, at €1,360 per hectare, was 9% lower than in 2022. Concentrate feed expenditure increased marginally, by 1%, with pasture and forage and other direct costs increasing by 7% and 20% respectively, resulting in an increase in total direct costs of 8%, to €675 per hectare in 2023. Overhead costs in 2023 were 20% lower, at €583 per hectare on average. Total production costs decreased by 7% year on year, to €1,258 per hectare. Overall, gross margin declined by 22% in 2023, to €685 per hectare on average, while net margin in 2023 declined substantially, to €103 per hectare, a 29% decline on 2022.

Table 1: Average gross margin and net margin per hectare in 2022 and 2023: Mid-Season Lamb

	2022 € per hectare	2023 € per hectare	2023/2022 % change
Coupled payments	47	51	+8
Gross Output	**1,499**	**1,360**	**-9**
Concentrate Costs	265	268	+1
Pasture and Forage Costs	196	209	+7
Other Direct Costs	165	198	+20
Total Direct Costs	625	675	+8
Gross Margin	**874**	**685**	**-22**
Energy and Fuel	177	128	-28
Other Fixed Costs	553	454	-18
Total Fixed Costs	**730**	**583**	-20
Total Costs	**1,355**	**1,258**	**-7**
Net Margin	**144**	**103**	**-29**

Source: Teagasc National Farm Survey 2023

Table 2 presents the average gross and net margin per ewe for 2022 and 2023, reflecting a decline of over one fifth in net margin per ewe in 2023 to €12 per ewe, a figure more in line with the €11 per ewe net margin back in 2020.

Table 2: Average, gross and net margin per ewe in 2022 and 2023: Mid-Season Lamb

		2022	2023	2023/2022 % change
Gross Output	€ per ewe	**206**	**199**	**-4**
Total Direct Costs	€ per ewe	88	102	+16
Gross Margin	€ per ewe	**118**	**97**	**-18**
Total Fixed Costs	€ per ewe	103	85	-18
Net Margin	€ per ewe	**15**	**12**	**-22**

Source: Teagasc National Farm Survey 2023

To put the low net margin in 2023 in context, it contrasts with the high net margin of €36 per ewe in 2021, which was a most favourable year for lamb prices, with the next most recent favourable net margin year in 2017 (€23 per ewe).

2. Variation in Financial Performance

Table 3 summarises results for farms which are classified on the basis of gross margin per hectare: the best performing one-third of farms (Top), the middle one-third (Middle) and the poorest performing one-third (Bottom). Due to higher stocking and weaning rates, output value on the Top farms is over two and a half times that on the Bottom performing farms. There has been a dis-improvement in concentrate feed and pasture and forage expenditure for the bottom group of farmers. Back in 2021, expenditure on concentrate feed directly related to the sheep enterprise was highest on the bottom group (per hectare) when compared to the top and middle group of farms, but this was reversed in 2022. However, in 2023, concentrate feed per hectare was actually highest for this bottom group of lamb producers, at €291 per hectare (compared to €231 for the top group of farms). The superior efficiency and productivity performance of the top group in comparison to the other two groups results in a gross margin per hectare of €1,374 (over thirteen times higher on the top farms compared to the bottom group). The size of the differential in 2023 between the Top and Bottom group is striking in comparison to earlier years, where the differential was typically five-fold.

Table 3: Variation in output and profit: Top, Middle, Bottom thirds Mid-Season Lamb producers 2023

		Top	Middle	Bottom
Stocking rate	ewes per hectare	8.75	6.85	5.25
Weaning rate	lambs per ewe	1.47	1.31	1.15
Gross Output	€/hectare	2,029	1,300	792
Concentrates	€/hectare	231	280	291
Pasture and Forage	€/hectare	209	216	202
Other Direct Costs	€/hectare	215	184	196
Total Direct Costs	€/hectare	655	681	689
Gross Margin	**€/hectare**	**1,374**	**619**	**103**

Source: Teagasc National Farm Survey 2023

The proportion of farms achieving higher gross margins per hectare (>€500 category and above) in 2021 increased substantially, to unprecedented levels, with the majority of sheep meat producers (80%) earning more than €500 per hectare. In 2022, the proportion in the >€500 category and categories above declined slightly, with 73% of all farms earning a margin of greater than €500 per hectare. Just 54% of farms in 2023 achieved a gross margin of >€500. Lower gross output impacted on the distribution of the gross margin for 2023, and for the lower margin categories in particular output was insufficient to cover the input cost increases, with the <€300 margin category increasing from 16% of farms in 2022 to a third of farms for 2023 year.

Table 4: Distribution of gross margin € per hectare: 2022 and 2023

Gross Margin	% of farms 2022	% of farms 2023
<300	16	33
300 to 500	10	13
>500 to 750	19	12
>750 to 1,000	16	17
>1,000	38	26

Source: Teagasc National Farm Survey 2023

3. Variation in Technical Performance

Table 5 presents a number of technical performance indicators for sheep producers. Stocking rate in 2023 declined by 4%, bringing it back to the lowest level for well over a decade, but it still remains close to 7 ewes per hectare. The weaning rate in 2023 declined by 5% on the 2022 level. These data illustrate that in 2023 technical performance is down on previous years. This follows successive improvements in technical performance in 2021 and 2022, which was reflected in an increase in carcass output per hectare, albeit a small increase. This improvement has been eroded in 2023, with lamb carcass (kg per hectare) declining by 8%.

Table 5: Technical performance indicators sheep farms in 2022 and 2023

		2022	2023	2023/2022 % change
Stocking rate	ewes per hectare	7.17	6.91	-4
Weaning rate	lambs per ewe	1.37	1.31	-5
Lamb mortality	%	6	7	+8
Lambs weaned	No. lambs per hectare	10.07	9.31	-8
Lamb carcass weight	kg per hectare	201	186	-8

Source: Teagasc National Farm Survey 2023

The proportion of sheep farms in 2022 and 2023 attaining the Teagasc 2027 Sectoral Road Map targets for sheep production is presented in Table 6. In line with the findings above, the proportion of sheep producers reporting a lamb mortality rate of less than 8% declined to 61% in 2023. In addition, 55% of farms reported that more than 96% of ewes lambed, with this percentage reflecting a decline relative to the 67% of farms meeting this target in 2022. The proportion of farms weaning more than 1.55 lambs per ewe in 2023 declined by 5 percentage points, while the share of farms reporting a stocking rate of at least 9 ewes per hectare also decreased by 5 percentage points, to 22%.

Turning to the Teagasc Sectoral Road Map environmental targets for sheep production, 88% of farms reported N application per hectare of less than 85kg for 2023, increasing by 2 percentage points from the previous year. The percentage applying protected urea increased from 6% to 14% in 2023. Data on slurry application using LESS (Low Emissions Slurry Spreading) was first recorded in 2021. The enterprise level data indicates that 27% of sheep farms used this technique in both 2021 and 2022, while the percentage using LESS increased to 48% in 2023.

Table 6: Percentage of farms achieving selected Teagasc 2027 Sheep Road Map Targets

Teagasc Road Map 2027 Target	2022	2023
	%	%
Lamb Mortality ≤ 8%	71	61
Ewes lambed ≥ 96%	67	55
Weaning rate: > 1.55	26	21
Stocking rate > 9 Ewes per hectare	27	22
Nitrogen Fertiliser per Hectare < 85 kg	86	88
Percentage applying protected urea	6	14
Percentage slurry applied by LESS	27	48

Source: Teagasc National Farm Survey 2023

Table 7 illustrates the relatively small flock size across farms, with two thirds of all flocks below 100 ewes in 2023. Flocks of less than 100 ewes produced almost two thirds of the lambs (62%) across farms in 2023. The gradual shift towards larger flock sizes (100-150 ewes) observed in the last decade now seems to be in reverse (almost 31% of flocks were in the 100 to 150 ewes category in 2019). The percentage of lambs produced by the 100 to 150 ewe flock size category consequently also decreased year on year to 16% in 2023 (down from 28% in 2020, 24% in 2021 and 23% in 2022 years). Just 19% of flocks had more than 150 ewes in 2023, with these flocks producing 23% of lamb, equivalent to 2021 year for this >150 ewe category.

Table 7: Distribution of flock size 2023

	% of flocks	% of lamb produced
<50	25	25
50-100	41	37
>100-150	15	16
>150	19	23

Source: Teagasc National Farm Survey 2023

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