Overview of Irish Agriculture and Food for Teagasc Road Map Series 2030

Overview

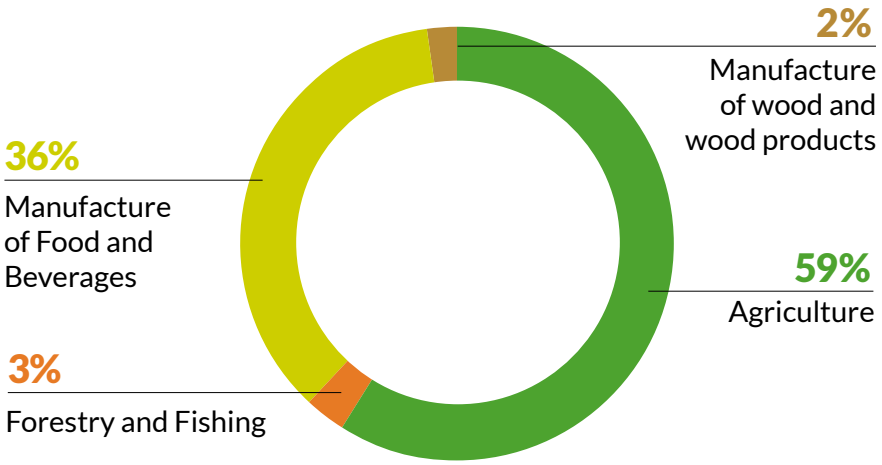
Irish agri-food gross value added accounted for 5.4% (€17.4 bn) of modified gross national income (GNI*), 8.6% of total merchandise exports, and 6.2% of employment in 2024. Output value is expected to rise substantially in 2025. Irish food products (€19 bn in 2025, Bord Bia) are exported to over 180 countries worldwide and are generally considered high quality safe products, with strong "sustainability" credentials, as highlighted in recent years through the Bord Bia Origin Green programme, underpinned by food quality and assurance schemes at producer and processor levels.

Global and EU market policy-issues impact strongly on the Irish food sector, given that Ireland is primarily a food-exporting country (> 85% of production exported). In 2024 Ireland imported €13.9 bn of agri-food[1] including prepared consumer foods/non-alcoholic beverages (38%), alcoholic beverages (8%), other agri-food imports (40%) and animal feed (14%). "Other agri-food" imports includes tea, coffee, fish, fresh fruit, vegetables and products used in food manufacturing such as vegetable oils and fats.

The majority of agri-food employment (60%) is in primary agricultural production while 40% is engaged in manufacturing and processing (Figure 1). Agri-food production and processing are particularly important in rural areas of Ireland. Outside of the main urban centres, they account for a much larger share of income and employment; for example, the share of agriculture in the regional economies of the Northern and Western (NUTS 2) region of the country is almost three times that of the average across the State as a whole.

Ireland has been judged to have a strong and integrated agricultural knowledge innovation system (AKIS) in comparison to other countries in the EU.[2] This means that there is a comprehensive network of professional support available to the agri-food sector which will be critical to supporting the industry to modernise and further improve its sustainability credentials.

Agri-food employment Figure 1: Employment in the Agri-food sector in 2023. Source DAFM Annual Review and Outlook 2023.



[1]DAFM Trade Factsheet March 2025.

[2]ProAKISReport, 2015. Available at: https://cordis.europa.eu/docs/results/311/311994/final1- 20150928_pro-akis-final-publishable-summary-report.pdf or https://bit.ly/2Vfgs2I.

Market and policy outlook

At a global level, the trends of continued population growth, increased pressure on natural resources, and significant areas of political instability are expected to continue. There is increased uncertainty around trends in global trade and market protectionism. Overall, progress towards the delivery of the UN Sustainable Development Goals (SDG's) is slow. Recent rounds of the UN Conference of the Parties (COP) have highlighted concerns that climate action is too slow and there is an urgency to fund increased levels of action particularly in the Global South where climate change impacts are predicted to be most severe.

The European Commission recently published proposals for the European Budget and the Common Agricultural Policy (CAP) for the period 2028-2034. The proposals are for a simpler, more targeted and future-orientated CAP that will continue to provide income support to farmers and ensure safe and affordable food for consumers while protecting the environment. The proposals reflect the changed global contexts in which the EU and its member states find themselves in. Negotiations between Member States, the European Parliament and the Commission on the proposals are expected to conclude by 2027. While the proposals place more emphasis on income support and coupled direct payments, existing commitments with respect to climate, biodiversity and water will also continue to shape future EU and Irish agricultural policy.

Ireland's Food Vision 2030 strategy, Ireland's Common Agricultural Policy Strategic Plan (CSP) and Climate Action Plan 2024 are consistent with EU policy and law and will shape the policy landscape for agriculture and food in Ireland for the medium term.

The Irish agri-food sector must reduce the negative environmental impact of agricultural production while supporting and facilitating the development of economically and socially sustainable agriculture and food production systems. In addition to national and sectoral GHG emission reduction targets which are now set in law (25% decrease by 2030) there are

significant challenges around water quality which have brought a sharp focus on the work required to support the continued retention of the Nitrates derogation. There is also a significantly increased focus on retaining and enhancing our biodiversity.

The medium-term market outlook to 2035 is for continued growth in the global demand for food in line with current global population growth projections. Prices for ruminant meat commodities are expected to remain strong in the medium term as global breeding inventories are rebuilt. However, over the longer term real prices are expected to decline. Growth in global demand for dairy commodities and slowing growth in production and trade will, over the medium term, support real dairy commodity prices and milk prices received by Irish farmers.

Volatility in output and input prices will continue to be a challenge for farmers and the wider food supply chain. However, the recent EU agreement on NGTs does mean that NGT derived varieties will be considered equivalent to conventionally bred material. This is a significant development that in time will lead to the development of varieties with greater stress resilience.

The medium-term market outlook for higher-value products and food ingredients is for continued growth, particularly in middle income economies. Continued access to such high-growth markets will require high food safety and environmental sustainability standards and resource-efficient food production systems. There may also be opportunities to develop novel by-products and new products arising from exploiting the potential of the circular bioeconomy.

CAP funding is a significant contributor to Irish agricultural incomes. In 2023 EU-funded Pillar I and Pillar II spending on agriculture and rural development in Ireland was €1.301 bn with total State and EU spending of direct payments under Pillar I and II of the CAP amounting to €1.77 bn in 2023. The Commission's proposals of July 2025 suggest the total EU funded support to Irish agriculture would decline as compared to the current CAP. The outcome of the ongoing EU Budget and CAP negotiations and the continued provision of support from the Irish exchequer will remain important to the agriculture sector's economic performance.

Farm level sustainability challenges

At farm level, **economic challenges** include continued volatility in annual farm income and the overall modest levels of farm scale and profitability for the majority of farming enterprises. Low farm income levels and a buoyant non-farm economy and labour market have led to an increase in part-time farming. Capital investment on farms is increasingly concentrated on larger, mainly dairy farms. This dynamic may constrain the wider adoption of capital-intensive new technologies on other farm systems.

The **environmental challenges** facing the agri-food industry include meeting national commitments around reducing the volume of agricultural gaseous emissions (GHGs and ammonia), improving water quality and enhancing biodiversity. There is also an urgent need to reduce the risk of antimicrobial resistance (AMR) and respond to disease outbreaks as well as the development of resistance in weeds, pests and diseases.

There are also a number of **social and sectoral capacity challenges** that are influenced in a significant way by an ageing farm workforce and the associated slow rate of generational renewal in Irish farming. In 2023 the median Irish farm holder's age was 60 years, and only 4.3% of farm holders were under 35 years of age, while less than 47% of farms had an identified successor. Measures that improve farmer health, the safety of farms, and the quality of life on farms and in rural Ireland will be essential to successfully rejuvenating Irish farming and addressing the sustainability challenges faced. Action will also be required to enable increased female participation within farm businesses and supports for more active and earlier farm succession planning and management. The proportion of female farm holders (13.2%) remains low while of those farms with a successor identified only 18% had identified females as sole or joint successors.

Overall, the agri-food sector will need to improve the sourcing, management and retention of a high-quality, well-educated labour force. It will also need to increase its use of cost-effective automation and the exploitation of large data sets using Artificial Intelligence, and other digital technologies to support management decisions in relation to supporting sustainable farming. The AgNav platform (a Teagasc, Bord Bia and ICBF collaboration) is a good example of a farmer-centric sustainability digital decision support system that will empower farmers to improve the economic and environmental sustainability of their farms.

Regional opportunities

At regional level, agriculture and food will continue to anchor wider rural development. The development of the circular bioeconomy will bring new opportunities that will vary across different geographic regions. In the short term, this may include an increased focus on energy production and development of integrated woodlands, as well as niche food production and associated tourism and leisure activities. With support from Government and market stakeholders, organic farming production systems will continue to increase in importance. The facilitation of rural and farm-based entrepreneurship will be increasingly important for the achievement of balanced regional development. Continued investment in rural connectivity will ensure that entrepreneurs living and working in rural Ireland will be as well serviced as those in larger urban areas.

Statistical Trends

Table 1: Overview of key Irish agri-food indicators

	2010	2016	2020	2024
Number of farms	139,860	137,500	135,037	133,174*
Utilised agricultural area (UAA) excl. commonage and forestry (ha)	4,568,938	4,455,800	4,509,256	4,488,400
Commonage (ha)	422,215	427,800	421,287	>430,000
Forestry (ha) – estimated	725,888	764,394	808,848	808,848**
Grassland as percentage of UAA	92%	92%	92%	92%
Tillage as percentage of UAA	6%	6%	7%	7%
Other as percentage of UAA	2%	2%	1%	1%
Average farm size (ha)	32.7	32.4	33.4	33.7
Animal numbers by sector – dairy (cows only)	1.071m	1.398m	1.568m	1.624m
Animal numbers by sector – suckler cows	1.158m	1.104m	0.983m	0.825m
Animal numbers by sector – Other Beef Cattle (incl. dairy replacements)	4.378m	4.737m	4.764m	4.734m
Animal numbers by sector – sheep (total)	4.745m	5.140m	5.520m	5.176m
Animal numbers by sector – pigs (total)	1.516m	1.604m	1.583m	1.680m
Animal numbers by sector – poultry (total)	14.923m	16.909m	18.834m	19.418m
Horticulture output value (Euro millions)	239	291	324	388

* indicates data is from 2023

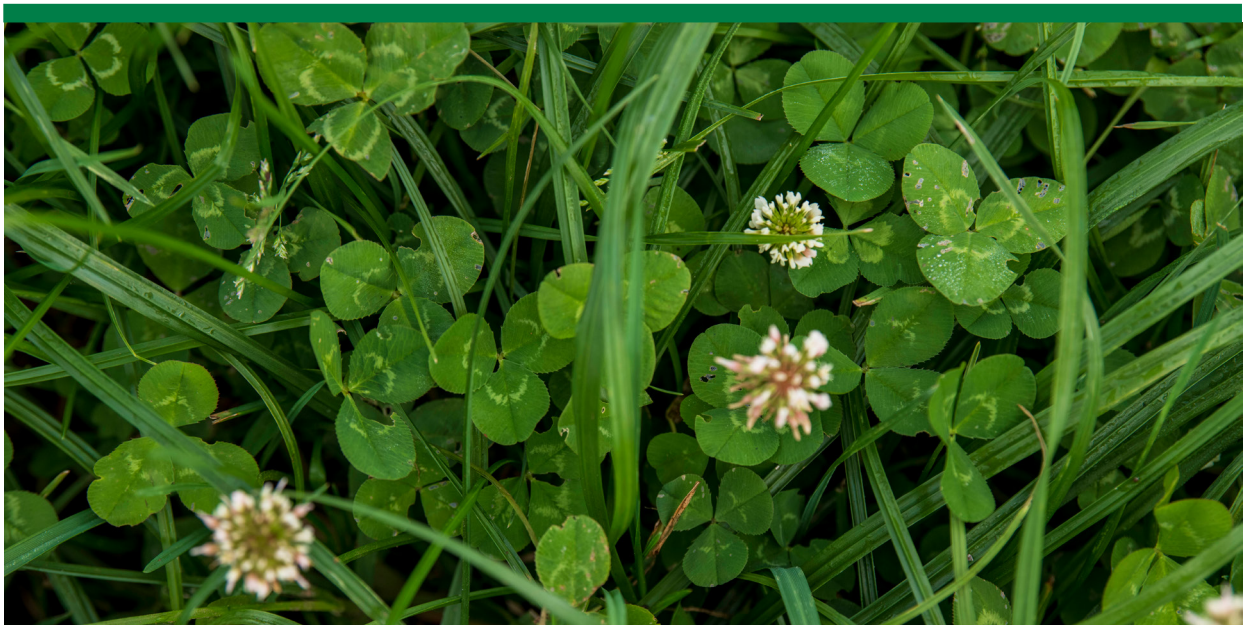
** indicates that the data is from 2020

Sources: CSO Census of Agriculture 2010 and 2020, Farm Structures Survey 2016, 2023 and June 2023 Crops and Livestock Survey. Eurostat Economic Accounts for Agriculture https://doi.org/10.2908/AACT_EAA01. Forestry area based on data from the 2022 National Forestry Inventory (NFI) and annual afforestation data from the DAFM Forest Statistics 2023. Poultry numbers from EPA / DAFM.

Table 2: Overview of selected land-based farm enterprise indicators

		2017-2019	2018-2020	2019-2021	2020-2022	2021-2023	2022-2024
Family farm income (FFI) per ha in Euro	Dairy	1,239	1,143	1,321	1,764	1,600	1,592
	Cattle	341	321	350	371	376	413
	Sheep	354	332	388	395	364	477
	Tillage	619	597	657	801	705	633
		2017-2019	**2018-2020**	**2019-2021**	**2020-2022**	**2021-2023**	**2022-2024**
GHGs (t CO_2 eq.) per ha	Dairy	9.0	9.0	9.1	9.2	9.2	8.9
	Cattle	4.3	4.2	4.2	4.2	4.2	4.1
	Sheep	3.9	3.8	3.7	3.4	3.3	3.1
	Tillage	2.1	2.1	2.1	2.0	1.9	1.7
		2017-2019	**2018-2020**	**2019-2021**	**2020-2022**	**2021-2023**	**2022-2024**
Nitrogen balance (N surplus per ha)	Dairy	182.9	184.8	173.5	167.7	157.0	157.3
	Cattle	63.3	62.7	61.9	58.1	53.2	49.2
	Sheep	55.0	54.5	50.5	44.6	39.7	35.3
	Tillage	40.0	42.6	35.3	34.9	34.4	35.0
		2017-2019	**2018-2020**	**2019-2021**	**2020-2022**	**2021-2023**	**2022-2024**
N-use efficiency (NUE %)	Dairy	23.4	23.6	25.6	26.7	28.0	27.3
	Cattle	21.9	22.0	22.8	25.4	28.2	29.6
	Sheep	28.2	27.6	28.0	31.1	31.9	33.3
	Tillage	64.9	62.2	64.3	63.0	64.6	67.1
		2017-2019	**2018-2020**	**2019-2021**	**2020-2022**	**2021-2023**	**2022-2024**
Net human digestible protein needs met (per ha)	Dairy	15.3	15.8	16.7	17.0	16.8	16.2
	Cattle	3.3	3.4	3.5	3.7	3.6	3.6
	Sheep	2.7	2.7	2.7	2.5	2.3	2.4
	Tillage	13.4	12.7	13.6	14.1	14.4	14.1

Source: Teagasc Sustainability Report and National Farm Survey (NFS), three year rolling averages.



Future sector developments

Across all sectors including food processing, there will be a continued trend towards improved sustainability along with increased standards and quality thresholds. In addition to the anticipated developments in the technical performance of the main enterprises that are highlighted below there will be a continued emphasis, from both policy and markets, on improvements in the environmental performance of Ireland's farms. The following sets out some anticipated developments across the main enterprises under the current policy framework.

Dairy

Stability in the production of total kg milk solids.

Stability in dairy production from a reduced number of farms.

Increased emphasis on the quality of beef output from dairy herd.

Beef

Improved efficiency in suckler beef production.

Continued development of dairy calf to beef production systems.

Sheep

Sheep enterprise numbers expected be somewhat variable.

Increased focus on uplands to optimise grazing intensity, animal performance and environmental outcomes.

Pigs and poultry

Similar numbers of breeding stock, with continued improvement in productivity.

Increased emphasis on reduced AMR and improved animal welfare.

Crops

Continued diversification including protein crop production and other food/non-food crops as they emerge.

Increased focus on higher-value markets and crops.

Production systems dependant on improved breeding technologies.

Horticulture

Continued specialisation in growers/supply chains

Increased uptake of labour-saving technology.

Some new crops and markets established.

Food Industry

Continued focus on excellent food safety standards.

All production models will focus on increased energy efficiency, lower waste, development of novel by-products and reduced carbon emissions.

New blended plant- and livestock-sourced proteins, as well as opportunities in bio transformation/ circular bioeconomy.

Forestry / energy / non-food / bioeconomy

Forestry and woodland planting rates to increase.

Some other "land-based energy" production and "non-food production" opportunities are expected to emerge.

Future challenges and Teagasc support

The agri-food sector faces challenges around competitiveness and resilience as well as meeting a number of environmental targets over the coming years including:

- reduce agricultural greenhouse gas emissions to achieve the Climate Action Plan target of -25% by 2030;
- improve nutrient use efficiency;
- halt the decline in the proportion of high-status water bodies;
- increase the proportion of rivers achieving good or high status from 53% (EPA, 2019) to 60% in 2027; and,
- enhance biodiversity in line with the 4th National Biodiversity Action Plan, the Climate Action Plan, and in line with the expected Nature Restoration Law and initiatives supported under CAP, including "space for nature", "eco-schemes" and agri environment schemes such as ACRES etc.

Teagasc has set out in its Statement of Strategy 2025 - 2028 its strategic focus on competitiveness and resilience and is well positioned to work in partnership with all stakeholders across the Irish agri-food industry through the provision of relevant:

- modern education programmes that focus on the development of "transversal skills" and are provided in an accessible format for a new "digital generation".
- advisory programmes that support farm families to navigate their way through all the sustainability challenges they currently face, especially in the area of the environment.
- high-quality targeted research programmes that meet the current and emerging needs of a sector heading into a new digital and circular bioeconomy era.

Teagasc will also increase its efforts to lead the development of the Irish agriculture knowledge and innovation systems (AKIS) for the benefit of public and private actors across the agri-food sector.

Under our climate strategy we plan to deliver research and innovation support through the new Teagasc Climate Centre focused on both mitigating and adapting to climate change as well as progressing our understanding of how carbon farming may develop in future in Ireland.

At farm level we will continue to deliver climate action through the Signpost Programme as well as leading on action to improve water quality through our "Better Farming for Water: 8-Actions for Change" campaign supported by our ASSAP and Farming for Water EIP programmes. Enhancing biodiversity will be supported across all programmes.

Across all its activites, Teagasc plans to make significant advances in its use of AI / digital tools and large data sets to plan, manage and implement its programmes. This will include tools such as AgNav, Profit Monitor, NMP online and PastureBase Ireland. Partnerships with organisations such as the Irish Cattle Breeding Federation (ICBF) and the Department of Agriculture, Food and the Marine (DAFM), Bord Bia and others will be key to the continued use of large national data sets to support local farm management decisions.

Overall Comment

Over the last decade the Irish agriculture and food sector has grown, developed and modernised. The dairy industry has had the greatest change across a wide range of metrics. Overall, the agri-food sector is well positioned to supply high-quality food to adjacent and global markets from a sound environmental platform. Producers have shown that they are resilient and can be responsive to market and policy signals where they are timely and consistent. Currently there is a strong demand for land across all enterprises as some farmers adjust stocking intensity and increase forage reserves, while others consider options around organics, crops, forestry and energy. The recent increases in the cost of land (for purchase and rental) makes it difficult to foresee any substantial increase in land mobility in the short to medium term.

The modest income and particularly the ageing population involved in agriculture is a cause of concern, across all of the major sectors of Irish agriculture, as it will limit access to capital and adoption of technology.

Irish farms do not carry the burden of high long-term debt (sometimes related to succession) in comparison to other countries and this has helped farm families to be resilient during periods of weather and economic shock.

Agriculture will thrive best in a future environment where a cohort of highly educated professional farmers can advance their businesses to generate an income that is comparable to other careers.

This will ensure that the sector will attract highly educated young people (female and male) towards a farming career and within the sector, there will be capacity to reinvest in and adopt new digital and automation technologies.

Supporting a further cohort of part-time farmers will also be key to having a dynamic modern agriculture open to new aspects of diversification and will enhance rural communities into the future.

Ireland has a strong heritage, knowledge and commitment to agriculture across many generations. Ensuring the sector is attractive to well-educated and ambitious young people and supported by a strong and dynamic AKIS will be key to its longer-term development and success.

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The road maps are available on **www.teagasc.ie**

Further information

Teagasc has published 8 new Road Maps along with this overview document (www.teagasc.ie) looking forward to 2030. These cover the areas of Food Industry, Forestry, Tillage, Horticulture, Dairy, Beef, Sheep and Pigs. Each document includes Sector Profile; Current Metrics; Future Targets; Challenges and Teagasc Support. The Road Maps are a "best estimate projection" of where each sector is headed based on the current known mix of economic, social and policy drivers.