



# Pig & Poultry Sector

Teagasc Pig + Poultry Departments

# Current Situation

- High feed ingredient cost (Jan 2021 – Mar 2022 +33%)
- Low pig & poultry price
- Highest producer losses ever
- 5% of sow herd destocking
- Poultry concern over restocking flocks – Layers & turkeys
- Rising energy costs: up 80-100%

# Financial

- Substantial losses for pig & poultry sector
- Average pig farm losing €56,000 per month
- Compound feed price forecast rising +€95/tonne (April-May)
- Average loss rising to €71,000 per month
- Forecast loss €160 million for 300 pig producers
- Mills pig feed credit ~ €85 million
- Access to finance difficult

# Key Risks

- Feed Ingredient security of supply – medium term?
- Continued rising ingredients cost – pig & poultry 30% of total compound feed volume
- 20-30% of pig units at risk of closing
- Energy costs?
- Welfare
  - Structured destock need support
- Access to finance
  - Proving very difficult to obtain
  - Unsustainable debt burden

# Teagasc Support

- Active engagement with producers
  - Financial projections / cashflow
  - Options – extra finance / restock / close
  - Welfare – engage with DAFM & unit vets, structured destock
  - Emotional support
  - Data dissemination
- Sector data collection & risk analysis
- Active stakeholder engagement – DAFM, Mills, IFA, Banks, Processors

# Suggested topics for discussion

## ▪ Feed

- Pig & poultry security of ingredient supply – how?
- Alternative feed ingredients ?

## ▪ Finance

- Unsustainable debt burden - €660,000 cash loss/average pig unit (9c/kg to 14c/kg)
  - » Sustainable cashflow support options
  - » Other support options
    - Structured de-stocking (welfare)
    - Restock for individual & national herd health (AMU)

## ▪ Pig & Poultry Manure - replace chemical fertiliser?

## ▪ Poultry Data

National Fodder and Food security Committee 11/03/2022



# Arable and Horticulture

# Current Issues

- Energy supply
  - Glasshouses, mushroom highly dependent
  - Establishment of crops/harvest, grain drying
- Fertiliser availability
  - Reasonable supplies in most tillage farms –Spring cereals ?
  - Horticulture short – hugely important
- Production of potatoes, veg, fruit – growers leaving the industry
  - High costs (€10k -36k /ha +) - highly dependant on inputs
- Spring plantings cereals/hort
  - Normal cereal area will be planted
  - Hort area - cut backs due to prices
- Increasing the tillage sector – cereals
  - As access to land ???
- Planning for next year and beyond
  - Seed stocks for cereal crops, forage crops and horticultural plants



# Potential solutions

- Access to land to increase the cereal area
  - Lower stocked grassland - best area to target?
- Efficient use of nitrogen – optimisation on all crops
- Energy supply
  - Spring crop – lower energy establishment systems
  - Wet grain storage (propionic acid) –
- Forage supply for the tillage sector
  - Plant early harvested areas with legume cover crops (grazing in Oct/Nov)
  - Supply of whole crops/other forages – from grassland area
- Horticulture – mitigate energy use (adjust production protocols)
- Equip growers with latest costs and returns
- Promote collaborative solutions to purchasing inputs (PO & other groups)

# Teagasc Ongoing

- Optimising rotations and nutrient planning/application
  - Utilise soil results and NMP plans
  - Matching OM between farms
- Tweaking budgets and cash flows for farmers
- Advice on spring planting techniques and best use of organic manures
- Identifying alternative supply lines for horticulture inputs
- Providing intelligence to policy makers

# Actions Suggested/ Gaps

- Seed availability for the next few years
  - Increasing cereal area -extra seed 2022/23
  - Supplies of cover crop seeds and treatments product for wet grain storage
  - Identify new plant propagators in Holland/UK
- Access to credit a problem on some farm
- Immediate retailer engagement over prices



# Drystock

# Silage Fertiliser

**RISK:** Reduced purchasing of fertiliser over the coming weeks due to a reluctance to buy at current prices or lack of availability.

**IMPACT:** Delayed spreading date for 1<sup>st</sup> Cut Silage and/or lower than recommended rates per ha. Leading to lower yields, later cutting dates, lower quality silage, delayed 2<sup>nd</sup> cuts, shortages of forage this winter.

## Teagasc Response:

- Communicate an awareness that farmers need to start purchasing fertiliser
  - - Fodder budgets on clients farms, “Mini” NMP Plans, Aim for 75% of silage in 1<sup>st</sup> cut.
- Need to make farmers aware of the value of slurry and the need to put it on silage ground where it is most needed
- Currently running 25 beef farm walks in March. Sheep farm walks planned for April
- Need to define our 3 key messages for the next four weeks

# Fertiliser on Grazing

**RISK:** Very small amounts of fertiliser spread on grazing ground to date with significantly reduced rates throughout 2022 due to price.

**IMPACT:** Inadequate covers in the 2<sup>nd</sup> grazing round leading to some cattle having to be rehoused. Much lower covers throughout 2022 reducing grass supply and little or no surplus silage being taken from grazing paddocks.

## Teagasc Response:

- Encourage drystock farmers to turn stock out to graze as soon as ground conditions allow and to get the first round of fertiliser spread asap.
- Emphasise the increased yields that can be achieved through smaller paddock sizes and reduced numbers of grazing groups.
- Increase the awareness of proper grass utilisation – target pre & post grazing covers
- Increase the levels of lime spread on drystock farms that need it.

# Concentrate: Price / Availability

**RISK:** Increased concentrate price may make it too expensive for drystock farmers and there may be availability issues later in the year.

**IMPACT:** Less meals fed in the autumn to finish cattle off grass, less meals fed over the winter to weanlings/stores, reduced levels of winter finishing. All impacting the orderly sale of cattle and the average national slaughter age.

## Teagasc Response:

- Emphasis the need for drystock farmers to make good quality silage.
- Where top quality silage is needed prioritising at least a proportion of the silage ground to make this high quality silage.
- Have clear messaging on the value of making high quality silage versus the alternative high cost of feeding ration at varying costs per ton.
- Adjust fodder budgets – less ration per head will mean higher silage intakes

# Under Finished Stock

**RISK:** Unproductive cows may be culled early. Stock may be sold before they have adequate fat covers due to high meal prices and or low forage availability

**IMPACT:** Poorer quality carcasses that are penalised in the market. Lower profit per head on cattle that have the potential to leave beef farmers with lower margins.

## Teagasc Response:

- Encourage farmers to identify which stock are priority stock for finishing.
- Encourage the sale of un-finished stock through marts.
- Work closely with the meat processors and marts to co-ordinate the messaging around when cattle should be drafted for slaughter.
- Emphasis the importance again of making high quality silage on these farms



# Stress

**RISK:** Increased stress levels on farms due to rising input prices and cash-flow problems on drystock farms. If winter (2022/23) fodder supplies are low this will exasperate the problem.

**IMPACT:** Reduced health and welfare of Irish beef and sheep farmers leading to significant long-term issues. Affects will have impacts on whole families with poor decision making outcomes as a result.

## Teagasc Response:

- Encourage farmers to complete the “Teagasc 5 Minute Cash Flow Tool”.
- Work closely with all credit institutions to find solutions for short term cash flow issues
- Work closely with NGO’s in the mental health community to involve them in local and national drystock events.
- Train Teagasc advisors how to deal with these issues when they are confronted with them.



# Dairy

## Update on Current Feed Situation: Dairy Farms

- Current grass covers on dairy farms quite good – 960kg per ha
- However, demand taking off now - high % of cows calved
  
- Fertilizer N applications have been curtailed somewhat
- Increased use of slurry in spring- dilution offers benefits
  
- Priority now is N fertilizer for grass growth in March- April
- Responses of >18kg grass per kg N are realistic
  
- Risk with low N application = less area closed for silage x lower yield per ha
- Silage MIN 100kg N per hectare (80 units/acre) **including** slurry is priority
  - Response rates of 17kg feed per kg N applied up to this level (Range 15-19kg over 14 yr)
- Fuel costs may contribute to lower quantity and quality of silage nationally
  - Maximize pit silage by closing appropriate area for main cuts
  
- Teagasc campaign on over-sowing clover in April (12 events nationally)

# Current fodder supply situation

| Enterprise | Region              | Winter Fodder balance <sup>1</sup><br>% |
|------------|---------------------|---|
| Dairy      | Midlands North East | 106                                     |
| Dairy      | North West          | 110                                     |
| Dairy      | South East          | 116                                     |
| Dairy      | South West          | 122                                     |
| Drystock   | Midlands North East | 128                                     |
| Drystock   | North West          | 131                                     |
| Drystock   | South East          | 134                                     |
| Drystock   | South West          | 127                                     |

- Livestock farms well supplied with silage on average
- Target is 400kg DM (2 bales) reserve per cow equivalent
- However
  - 12% of beef farms had deficit >20%
  - 8% of dairy farms had deficits >20%
- Failure to make a second cut has been a major factor contributing to shortages
- Problems facing these farms in autumn if supply is tight.
- Early communication essential with this cohort
- **Teagasc plan to complete fodder survey in April and July**

# Feed and supplementation issues

- Price and availability of concentrate feed is major issues for dairy producers
  - Fertilizer N continues to return more feed DM per unit cost than concentrate
- Relatively strong milk prices may delay changes to supplement rates
  - Teagasc to prepare guidelines on cost : benefit response to supplements fed at grass
- Availability of rations with adequate mineral inclusion at low feeding rates important
  
- Cost of feeding *marginal* cows
  - Marginal = stock retained beyond forage growing capacity of the farm
    - lower production cows, high SCC etc.
  - typical cost of feeding marginal cow may increase by 40% in 2022 (ex overheads)
    - analysis of options on an individual farm basis advised
  
- Crop trading
  - Risk of short-term 'silage on the stem' trading arrangements being reduced
  - Requirement for catch crop initiative- review after second fodder survey
  - Contracts and costings essential for whole-crop silage/grazing crop trading with growers

# Finance and Management on dairy farms

- Merchant credit an issue
  - Fertilizer N and feed purchases at critically important time of year
  - Fuel cost and general input costs significantly increased
- Lime application post-silage cutting a means of increasing available nutrients
  - May be considered limited by cash flow at farm level
- Capital project budgets/costs rising extremely sharply
- Cash flow planning on dairy farms essential- Teagasc campaign being planned
- Fuel, feed and fertilizer markets- regular communication with farmers essential to promote better decision making
- Labour- availability of quality labour a critical issue on many farms. Adding stress to already-stressed businesses.