

# BETTER farm Beef Programme

BUSINESS, ENVIRONMENT, TECHNOLOGY through TRAINING EXTENSION RESEARCH

## PROFIT MONITOR ANALYSIS

This week, we take a look at the views of programme farmers on their profit monitor analysis

### Tom Halpin Co Meath

My farming system has undergone small changes since joining the programme. I am now selling some of my cattle older and heavier to increase output, by maximising weight from grass and capitalising on the good genetic potential in these animals for growth rate.

I have also culled my sheep flock and I am expanding my suckler herd.

I had a very good year in 2014 and I reached the programme target of producing a gross margin in excess of €1,000/ha. My gross margin has increased from €637/ha in 2011 to €1,011 in 2014.

This increase is largely due to increasing my stocking rate and output of beef produced to sell while keeping production costs under control.

My cattle stocking rate on the home farm has increased slightly from 2.09LU/ha in 2013 to 2.18LU/ha in 2014. My output of beef has increased to 774kg/ha from 750kg in 2011 and my liveweight produced has increased from 348kg/LU to 355kg/LU.

Accordingly, my gross beef output value has increased from €1,542 in 2012 to €1,676 in 2014.

My variable costs were €666/ha in 2014, but were €721/ha and €904/ha in 2013 and 2012, where the bad weather really affected my feed costs.

My fertilizer costs are running at

€175/ha, feed costs at €253/ha and veterinary at €60/ha. They have increased with my stocking rate, but my increased output is sufficient to dilute them.

### Heinz Eggert Co Kildare

My farm has increased slightly this year from 67.5ha to 71.4ha. In 2014, I kept 104 suckler cows and my stocking rate has increased to 2.12LU/ha from 1.96LU/ha in 2012.

My beef output has increased from 625kg/ha in 2012 to 670kg/ha. However, I want to get this close to 750kg/ha. My gross output value has increased slightly from €1,422 to €1,479.

In 2014, my feed costs reduced significantly to €162/ha, which has really helped reduce production costs, compared with €320/ha and €253/ha in 2013 and 2012.

My veterinary costs have remained steady in recent years and were €137/ha in 2014.

I use a lot of preventative medicine, vaccinating against BVD, Lepto, IBR, PI3, RSV, Pasturella and clostridial diseases.

Fertilizer costs have increased on the farm to €239/ha in 2014 in line with the increase in stocking rate. I

am also spreading more phosphorus to help improve soil fertility and grass growth.

In total, my variable costs were €832/ha in 2014, which is considerably lower than €1,058 in 2013.

However, they are

still accounting for 56% of my gross output. My aim is to lower production costs to under 50% of my gross output by increasing gross output.

### Tomás Murphy Co Laois

I am still building numbers in my spring suckler herd, as my farming system has moved away from a split-calving herd to an all spring-calving herd since joining the programme.

Last year, I kept 63 suckler cows and I plan on keeping 70 cows this year. My farm sales increased in 2014 to €1,777/ha.

However, the inventory and the purchase of replacement heifers brought my gross output on the farm back to €1,355/ha in 2014, which is down slightly from 2013.

Stocking rate on the farm is increasing and is now at 2.11LU/ha and should increase to 2.2LU/ha next year as I will have more cows in the herd.

My beef output was 613kg/ha, which I aim to increase to at least 750kg/ha with the extra cows and extra sales of stock.

Thankfully, my variable costs were lower than 2013, totalling €712/ha. My feed and fertilizer bills are the most significant production

costs to have reduced in 2014, with feed at €138/ha and fertilizer at €200/ha.

I am spreading more expensive compound fertilizer on the farm, such as 18:6:12, to help improve the fertility so I can carry a higher stocking rate, particularly on the home farm. My gross margin was €644/ha.

### Trevor Minion Co Wicklow

The extra output generated from being able to carry a higher stocking rate with more cattle to sell has really helped improve the profitability of this farm over the last few years by diluting my variable costs.

The stocking rate has remained similar to last year at 2.07LU/ha. However, my output of beef/ha has increased from 714kg to 779kg/ha.

I had a greater number of sales in 2014 as I had increased my dairy-calf-to-beef enterprise and slaughtered more suckler-bred heifers that weren't suitable for breeding.

My gross output value was €1,700 in 2014, compared with €1,448 in 2012. My production costs have increased

slightly in recent years, coinciding with the increasing stock numbers, from €817/ha in 2012 to €845/ha in 2014.

Feed costs reduced to €308/ha, fertilizer was €205/ha and veterinary €60/ha in 2014. Due to the higher output of beef produced, the farm gross margin has increased to €855/ha.

There is still scope to increase the farm gross margin as I am increasing suckler cow numbers and the dairy-calf-to-beef enterprise, which will help reduce my production costs to 45% of my farm output value as they are currently running at 50%.

### James Madigan Co Kilkenny

Since joining the programme, I have made steady progress each year and I should reach my target gross margin of €900/ha to €1,000/ha next year when the stock sales from my target cow numbers are achieved.

My stocking rate has increased significantly from 2.05LU/ha in 2013 to 2.20LU/ha in 2014 and similarly beef output has increased from 600kg to 712kg/ha.

As expected, my gross output has also increased from €1,399/ha to €1,448/ha due to extra cattle to sell

with the increasing suckler cow herd.

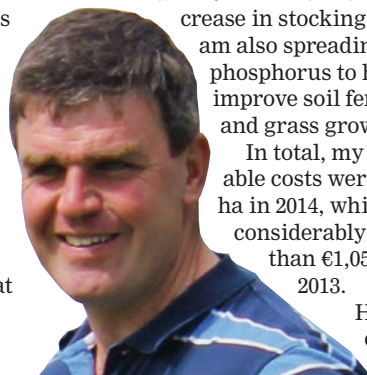
However, my gross output value/ha in 2015 will increase. I will kill my spring steers at 24 months of age, spring heifers at 22 months, autumn heifers at 22 to 24 months and autumn steers at 24 to 25 months.

My 2014 variable costs are similar to 2013 and are €689/ha. My biggest production costs are feed at €248/ha, fertilizer at €217/ha and veterinary at €100/ha. My contractor costs are low (€28/ha) as I have my own machinery to make my own silage and spread my own slurry.

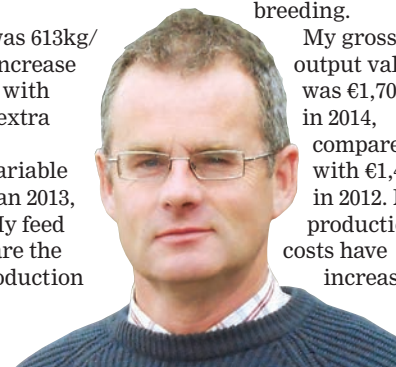
My gross margin has increased from €711/ha in 2011 to €759 in 2014. Increasing farm output by increasing stocking rate, improving animal quality and good grassland management during the grazing season have all been essential to improving profitability on this farm.

### Mike Dillane Co Kerry

I have shown a significant improvement since joining the programme. My gross margin is now €834/ha – I was running at a negative figure of -€100/ha in 2012.



Tom Halpin.



Tomás Murphy.



Mike Dillane.





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This equates to an increase of €55,000 in my gross margin this year versus 2012.

The biggest change I have made to my management is increasing my stocking rate to 2.15LU/ha. I now have 98 cows calving in the four-month autumn and winter period, rather than 70 calving over six months.

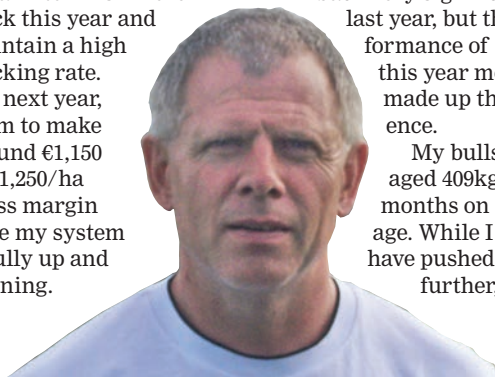
Despite the extra cow numbers, I am not working any harder as I am calving for a shorter period of time, meaning fewer nights up watching the camera.

I have changed from selling all cattle live and purchasing my replacements to finishing almost 90 cattle, including 34 under-16-month bulls and heifers at 17 to 19 months.

I measure grass weekly, as running a high stocking rate requires high-quality grassland management to avoid running into difficulties.

My vet bill is reduced due to a good herd health plan; improving silage quality has also helped.

I aim to finish more stock this year and maintain a high stocking rate. For next year, I aim to make around €1,150 to €1,250/ha gross margin once my system is fully up and running.



Ger Dineen.

## Billy Glasheen Co Tipperary

My gross margin dropped slightly this year to €696/ha. This is despite increasing slaughterings to 240 steers on my 43ha block.

The reason for this was that store price for HEX and AAX remained the same, while carcass value dropped by €150/head. This has squeezed my margin per head significantly.

I'm hoping for a leveling out of the store trade to match the beef price this year.

On the positive side, I have greatly improved efficiency in my finishing system. I have come close to fine-tuning my grassland management, growing over 14t DM/ha in 2014 and carrying an average of 2.65LU/ha.

I have set a target of a 15% increase in 2015 to capitalise on the ability to grow large volumes of grass and I believe I can achieve this.

One change I am going to make this year is to move away from buying heavy store bullocks.

I will re-evaluate my system and may look at continentals and lighter weanlings again if it makes economic sense.

Concentrates were the other big cost on my farm and I will reduce this in 2015 by buying younger stock that will stay on the farm longer, but achieve much more of their gain from grass at a cheaper cost.

While I was very disappointed with 2014, I am still very much focused on output from a predominantly grass-based system.

## Ger Dineen Co Cork

I had a very good year overall in 2014 despite the drop in beef price. I was slightly fortunate, in that most of my stock were killed early and late in the year and avoided the worst of the beef price drop.

My average price is still back very significantly on last year, but the performance of my stock this year more than made up the difference.

My bulls averaged 409kg at 14 months on average. While I could have pushed them on further, weight

restrictions forced me to sell younger.

I had a great year at grass and grew over 15t DM/ha on average.

My increased output due to a higher stocking rate has shown its benefits with my gross margin at €1,471/ha, an increase of €28,000 on my 31ha farm from last year.

Next year, I hope to maintain output and possibly increase it if possible. I am going to focus on making more top-quality baled silage for finishing stock.

It certainly has helped to reduce my ration bill dramatically. I made bales that tested 76% DMD for the bulls this year and last year and fed 4kg of ration before moving to ad-lib ration and straw in February.

## David Walsh Co Tipperary

I had a reasonably good year in 2014, with the main elements of my farm plan beginning to fall into place. I increased my output to 750kg/ha and my gross margin to €787/ha, up from €311/ha in 2013.

Admittedly, 2013 was a bad year for me with the hard spring increasing my fodder and ration bill, along with an increased contractor bill due to rebuilding silage reserves.

I have almost doubled my stocking rate since the start of the programme, from 1.22LU/ha to 2.15LU/ha, which is new territory for me.

I have learned a lot about grassland management and how to manage the high stock numbers when factors such as weather go against me, so I feel I am in a strong position this year when my stocking rate will be almost 2.4LU/ha.

I will carry around 54 cows and calves, along with all 55 one- to two-year-olds and 20 purchased calves this year on 41ha. I will aim to slaughter more stock off grass this autumn at around 20 months of age along with cull cows. Any not suitable for slaughter will be sold live.

I am aiming to reduce my ration and fertilizer bills slightly this year by focusing on tighter grazing and moving stock around in one or two paddocks, leading to greater utilisation of my swards.

## Donal Scully Co Limerick

I had a good 2014 in terms of profit on the farm, achieving

€1,374/ha gross margin, up from €1,000/ha in 2013.

My ration bill is still high at €783/ha, but this was increased due to finishing extra stock on the farm, purchasing milk replacer for 30 purchased calves and a severe drought, which lasted from late May to late September. This resulted in fodder being purchased and meal being purchased to fill the gap in grass growth.

My under-16-month bulls performed well this year and left a good margin despite the price drop. The main reason for this was an increase in carcass weight from 380kg to 412kg.

This was achieved with 1.3t of ration in their lifetime to both cow and calf. I wonder whether this can be reduced further running such a high stocking rate.

I achieved very high output of 1,300kg/ha and ran a stocking rate of 2.63LU/ha. My cow numbers will remain at 40 and I may continue to purchase weanlings to finish in the future. As I am working off-farm full-time, this suits me better.

In terms of grassland management, my target next year is to achieve 16t DM/ha grass growth. I achieved 14t DM/ha in 2013 and if weather is favourable, I'm confident I can hit this target.

## Des and Frank Beirne Co Longford

We are pleased with the increase in our gross margin to €624/ha, but not satisfied. We were aiming for €750/ha.

However, we took on an additional 12ha. We expected this to push our gross margin down somewhat, as these hectares are not yet highly stocked.

Like most farmers across the country in 2013, we incurred elevated costs across the board. Grass growth and weather had a significant hand in reducing our variable costs in 2014.

The most noticeable reductions on the farm were in concentrates and veterinary. In 2015, our focus for the year is to increase stocking rate and thus output on the farm.

The challenge will be to keep variable costs under 50% of the output.

## Billy Gilmore Co Galway

In 2014, variable costs were greatly reduced on my farm in comparison with 2013.

In fact, variable costs were greatly reduced in comparison with previous years due to the great grass growing conditions and the benefit of the good weather.

I further split paddocks during the summer to rotate the group of bulls on a 24-hour grazing system, which greatly reduced concentrates required and utilised grass very well.

Maximising weight gain from grass has made a huge difference to increasing my gross output kg/ha while minimising variable costs as much as possible.

My gross margin increased by 38% from 2013 and is my highest gross margin so far in the programme of €961/ha.

Sheep are also a significant component of my farming system and contribute to increasing output and improved grass utilisation on the farm. My whole farm gross margin came to €1,002/ha, which I am very happy with.

## James Strain Co Donegal

In 2014, my concentrate and fertilizer costs were half what I spent in 2013. While this was a great saving, my gross margin was still below target.

The value of output to offset the variable costs incurred was low due to herd health issues on the farm. This also resulted in increased veterinary costs for 2014. Fortunately, it is being resolved.

Grassland management and weight for age are very good on the farm. A lot of time and money has also been spent on increasing soil fertility over the past number of years.

I am confident output will be increased in 2015 and am hopeful we will be well on track.

## Niall Patterson Co Leitrim

2014 was a much better year for us than 2013, both financially and due to the good weather. There was lots of grass all year and we were able to save a lot of extra grass as si-



Niall Patterson.

lage, allowing us to replenish fodder reserves.

We had run into fodder problems in previous years, but unlike spring 2013 when we had to feed suckling cows concentrates and straw for six weeks due to the late spring, in 2014 we had no major issues.

Variable costs reduced by €189/ha, which was mainly down to not having to purchase as much concentrates or any silage.

Feed costs were down by €146/ha alone. Output increased due to heavier animals being sold off the farm. The sheep also performed much better than in 2013 and increased farm output and cashflow during the summer and autumn.

We hope that the weather will be favourable this year as we intend to carry out some land drainage and re-seeding.

These are very important factors for our very heavy land if we want to increase stocking rate and output. We intend to increase cow numbers this year by breeding more heifers.

## Marty Lenehan Co Sligo

By improving grassland management, I have realised the huge role good-quality grass swards have in achieving good weight for age when selling weanlings.

Regular weighing of stock on the farm has focused my attention on achieving high daily gains from grass.

In a weanling system, farmers are not guaranteed a price, so we have to focus on what we have control of and achieving weight gain as cheap as possible is essential.

It is important to be achieving target weight for age, especially in the weanling system.

In 2014, my gross margin increased to €718/ha. While the majority of the increase was from reduced variable costs incurred in 2013, output on the farm increased by €302/ha.

Since the start of the programme, all of the changes I have made on the farm have been relatively simple. It has taken time, as I was gradually building numbers and improving soil fertility, but I feel I am finally realising the benefits.