

CROPS COSTS AND RETURNS 2022

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CROP MARGINS

The Teagasc Crops Costs & Returns are intended as an indicative guide to crop margins; however land suitability, rotation, risk avoidance and husbandry skills must also be considered. As well as completing crop margins, all growers are strongly advised to complete a full financial appraisal of their business using the Teagasc Profit Monitor and Teagasc Machinery Costs Calculator.

There is little difference in margins between the feed cereals. Non-cereal break crops offer benefits in terms of rotation, workload and risk-spreading but the sale of inter-farm produce needs careful planning to ensure profitable crops. In the case of malting barley, food-grade oats and milling wheat, the availability of contracts and fulfillment of specific contract requirements such as specified varieties, quality parameters and input purchases need to be appraised in conjunction with the guideline margins here.

Under the Basic Payment Scheme, payments are decoupled from the crop being grown. Crop changes as a result of Crop Diversification (2 or 3-Crop Rule) need to be considered over at least a 5-year time frame, to avoid future rotational issues such as pest, weed or disease build-up. The land, on which you claim entitlements, must be maintained in “good agricultural and environmental condition” as heretofore.

Leasing entitlements; where a farmer doesn't have enough land to claim their entitlements, these surplus entitlements can be leased out without land to a farmer who has surplus land.

Note: The margins shown here do not include the Basic or Greening payments however straw prices are based on the Straw Incorporation Scheme for 2022 @ €250/ha it also includes oilseed rape @ €150/ha. For protein crops such as Beans/Peas the Protein Crop subsidy (€3 million over 12,000 ha = €250/ha) is included. However this payment will be reduced if the national threshold of 12,000ha is breached.

For more information see <https://www.teagasc.ie/crops/crops/greening/>

Conacre appraisal

The following table will provide a guide for growers and land owners as to the value of conacre.

1	Entitlement Value (€/ha)	
2	Gross Margin achievable (€/ha)	
3	Land issues* e.g. fertility, pH, P, K, trace elements, grass-weeds, other additional costs (€/ha)	
4	Total available for rent + contribute to fixed costs + profit (€/ha) (1+2) - 3	

* Growers also need to evaluate potential costs due to Greening when considering land rental.

Material Costs

Level of yield has a major influence on profitability. Decisions on input strategies must be tailored for individual fields and farms. The prices of grain (+ other crop output) and fertilisers may vary considerably from those predicted. The fertiliser strategies contained within are guidelines only, hence growers are advised to complete a nutrient management plan and utilise organic manures where feasible. Timeliness and attention to detail in carrying out all operations are vital to maintaining profitability in crop production. All material costs should be optimised, consistent with good husbandry practices. Nitrogen rates have been adjusted down based on the break even ratio BER see Table A on page 4.

Machinery Costs

Investments in machinery require a thorough financial appraisal before any purchasing decision is taken. The average machinery cost (incl. repayments, depreciation, fuel and repairs) on 139 tillage farms (15,000 ha) in 2016 was **€293/ha**, this figure does not include labour. The cost of machinery is the largest single cost on tillage farms, typically about 30% of total growing costs and along with fertiliser and land rental account for approximately 70% of the total cost of growing crops. The total machinery costs on 14% of the farms surveyed in 2016 were higher than the estimated contractor costs, even before labour costs are taken into account. The machinery costs on these farms were analysed using the Teagasc Machinery Cost Calculator which is available from your local Teagasc Tillage Advisor.

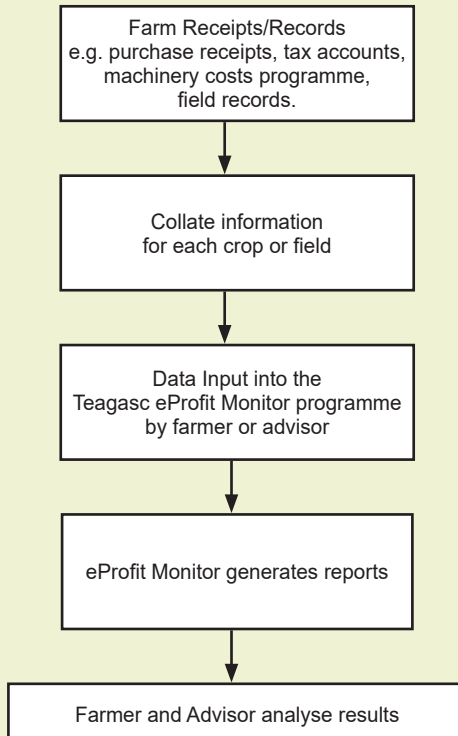
Fixed Costs

Fixed costs such as repairs and maintenance, insurance, car ESB & phone etc. (not incl. interest, machinery or land rental) are unique to each farm. The average fixed costs recorded in the 2016 and 2018 Teagasc eProfit Monitor results is approximately €195/ha. However the data from the both years results also show that there can be a large variation in fixed costs (€147 - 230/ha) depending on each individual situation. Therefore, since fixed costs are largely unique to each individual farm, all farmers should calculate their own costs rather than using standard industry figures. The eProfit Monitor can be used calculate these figures for farmers.

e-Profit Monitor

The Teagasc eProfit Monitor (ePM) is an online financial analysis tool that farmers can use to record the income and expenditure on farm for each specific enterprise and or crop in any given year. The ePM records both variable and fixed costs on the farm. The tool can help farmers to calculate both the gross and net profit of each individual crop on the own farm. The information is specific to the farmers own farm and the analysis simply shows what the farm made in terms of income from each crop and where your money was spent. The ePM records can then be used by the farmer to compare the performance of different crops on their own farm, these can also be compared against other farmers results with your advisor or in a discussion group format, they can also be compared against the national results which can be found here <https://www.teagasc.ie/crops/crops/reports--publications/crops-margins--ecrops/>. Farmers can then benchmark their own performance against their peers and then investigate areas in which they may improve. The results can also be compared over different years and in this way farmers can see trends in crop performance. For further details contact your local Teagasc office.

Four simple steps to farm completing EPM;



EXPLANATORY NOTES

Fixed or Overhead Costs per Hectare

Grassweed control (cultural/glyphosate) €39, Lime €25, Land maintenance, Car, ESB, Phone, regular hired labour & professional/agronomist fees etc. (Approx. €195/ha, Source 2016-2018 ePM)

VAT is excluded from input costs and outputs

A. INPUT COSTS: CEREAL CROPS

€/ha

Seed: €620/t Blue Label (Extra dressings/ton: Latitude: €220 barley & wheat. Mn: €70)

Rate: W. Wheat - 170 kg/ha; W. Barley - 190 kg/ha

W + S Oats - 160 kg/ha; S. Barley & S. Wheat - 170 kg/ha

Fertiliser:	Total Fertiliser (kg/ha)			Fertiliser Bags (No. of 50kg bags/ha)			
	N	P	K	CAN + S	Cmpnd*	50% K	€/ha
W. Wheat	230	40	106	14.1	8.0	1.0	€839
W. Barley	190	38	98	11.3	7.5	1.0	€718
W. Oats	130	34	126	7.1	6.8	2.3	€595
S. Wheat	170	29	98	7.9	9.8	0.0	€651
S. Barley	145	28	100	6.2	9.4	-	€577
Malt Barley	135	28	100	5.5	9.4	-	€551
S. Oats	120	28	115	4.4	9.4	0.8	€543

CAN + S @ €700/t; *S. Cereals 13-6-20 @ €765/t; *W. Cereals 10-10-20 @ €770/t; 50% K @ €730/t
N = Index 1 + yield bonus; P & K = Index 3 + yield bonus. Based on SI No. 605 of 2017.

P & K Build Up – At soil Index 1 & 2 additional P & K will cost approximately €154 & €77/ha respectively.

Herbicides: W. Wheat €85/ha; W. Barley €99/ha; S Wheat & S Barley €78/ha; Oats €37/ha

Fungicides:	<p>Winter Wheat: Leaf 4: Yellow rust control +/- Leaf 3: Broad Spectrum + multisite Flag leaf: Broad Spectrum (B.S.) + multisite Ear: B.S. (incl. triazole) @ G.S. 51-60</p> <p>Winter Barley: G.S. 25-30: 1/2 rate (Triazole +SDHI) +/- G.S. 31-33: 1/2 rate (Triazole + SDHI) G.S. 39-49: B.S. (incl. triazole/SDHI + multisite)</p> <p>S. Barley: 2 Fungicides (Triazole/SDHI/Strob/multisite) G.S. 30 & 37-49</p> <p>S. Wheat: 3 Fungicides (Triazole/SDHI/Multisite) G.S. 30/31, 37/39, 51/60</p> <p>W. Oats: Triazole + morph at T1+T2, Triazole + SDHI at T3</p> <p>S. Oats: Reduced Rates W. Oats</p>	€223
		€132
		€96
		€141
		€132
		€115
Insecticides:	<p>Winter wheat: Red. Slug Pellets (€13/ha) + Aphicide (€5/ha)</p> <p>Winter barley: contact €5/ha x 1</p> <p>Other Cereals: Aphicide (€5/ha)</p>	€19
		€6
		€6
Growth Regulators:	<p>W. Wheat, W & S Oats =</p> <p>Spring Wheat =</p> <p>Winter Barley =</p>	€16
		€11
		€31
Hire Machinery:	<p>Plough (€80/ha), Till, Sow & Roll (€105/ha) (+ €19/ha press spring crops)</p> <p>Spraying (@ €23/ha):</p> <p style="padding-left: 20px;">W. Wheat: Weeds + Aphids, PGR, Fungicide x 3 =</p> <p style="padding-left: 20px;">S. Wheat: Weeds + Aphids, PGR/Fungicide x 3 =</p> <p style="padding-left: 20px;">W. Barley: Weeds + Aphids, PGR/Fungicide x 3 =</p> <p style="padding-left: 20px;">S. Barley: Weeds + Aphids, Fungicide x 2 =</p> <p style="padding-left: 20px;">W. Oats: Weeds + Aphids, PGR/Fungicide x 3 =</p> <p style="padding-left: 20px;">Fertiliser Spreading (@ €17/ha) =</p> <p style="padding-left: 20px;">Harvesting =</p>	€187
		€118
		€94
		€118
		€71
		€94
		€33-50
		€128
Interest 6%:	100% of Seed + Fertiliser + 50% of Agchem; Winter - 10 months; Spring - 6 months	

2022 CEREAL CROP MARGINS

Variable Costs excl. VAT (€/ha)

	FEED WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
MATERIALS	1287	994	1102	862	850	885	818
Seed	105	107	116	105	114	99	101
Fertilisers	839	651	718	577	551	595	543
Sprays:							
Herbicides	85	78	99	78	78	37	37
Fungicides	223	141	132	96	101	132	115
Insecticides	19	6	6	6	6	6	6
Growth Regulators	16	11	31	0	0	16	16
HIRE MACHINERY	482	477	482	437	437	442	461
Plough, One-pass & Roll	187	206	187	206	206	187	206
Spraying	118	94	118	71	71	94	94
Fertiliser Spreading	50	50	50	33	33	33	33
Harvesting	128	128	128	128	128	128	128
MISCELLANEOUS	122	80	108	71	68	93	67
Interest (6%)	56	26	48	23	23	39	22
Transport (€ 6/Tonne)	66	54	60	48	45	54	45
TOTAL VARIABLE COSTS	1891	1551	1692	1370	1355	1421	1345
Break-even yield (grain only)	9.0	7.4	8.5	6.9	5.9	7.3	6.9
Cost per tonne @ <u>reference yields</u> see table on page 6 for details	172	172	169	171	181	158	179
Net Price (€/Tonne)	210	210	200	200	230	195	195
AID (BPS) = NOT included	0	0	0	0	0	0	0
Straw (€/ha)	250	250	300	250	250	250	250

Gross Margins (€/hectare)

(Incl. Straw)

Tonnes/hectare	FEED WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
6.5	-276	63	-92	180	390	97	172
7.5	-66	273	108	380	620	292	367
8.0	39	378	208	480	735	389	464
9.0	249	588	408	680	965	584	659
10.0	459	798	608	880	1195	779	
11.0	669		808				
12.0	879		1008				

Fertiliser requirements are based on reference yields, see table on page 6 for details. Totals may not agree due to rounding. An online version of this calculator is available at:

<https://www.teagasc.ie/crops/reports--publications/crops-margins--ecrops/>

B. INPUT COSTS: NON CEREAL CROPS

€/ha

Fertilisers/ha

Beet:	1,000 kg Beet cmpnd @	€750/t	=	€750	}	€1,030
	400 kg CAN + S @	€700/t	=	€280		
Maize:	620 kg 0-7-30 @	€735/t	=	€456	}	€925
	670 kg CAN + S	€700/t	=	€469		
Potatoes:	1235 kg 7.6.17 + S	€800/t	=	€800	}	€940
	250 kg CAN	€700/t	=	€140		
Beans/Peas:	200 kg 0-10-20	€730/t		€146		€146
Winter OSR:	370 kg 10-10-20 @	€770/t	=	€285	}	€719
	250 kg Urea @	€900/t	=	€225		
	280 kg ASN @	€745/t	=	€209		
Spring OSR:	370 kg 13-6-20 @	€765/t	=	€283	}	€514
	330 kg CAN+S @	€700/t	=	€231		

Interest 6%: 100% Beet, Maize, WOSR & Potatoes = 7 Months; Beans = 6 Months; SOSR & Peas = 5 Months

Forward selling

The selling price of the grain is the principal driver of profitability on tillage farms however often prices at harvest are at their lowest. Most companies now offer farmers the opportunity to sell grain at different times of the year in order to reduce the risk of selling below cost. In order to forward sell growers need to know the cost of producing the grain on the farm. The tables below are based on the variable costs in this booklet and show the cost per tonne of producing grain at different yields excluding straw. Obviously the higher the yield the lower the cost per tonne will be as generally most crops receive a similar spend on inputs.

Estimated cereal costs/tonne excl. straw							
T/ha	FEED WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
6.5	291	239	260	211	209	219	207
7.5	252	207	226	183	181	189	179
8	236	194	212	171	169	178	168
9	210	172	188	152	151	158	149
10	189	155	169	137	136	142	135
11	172		154				
12	158						

Costs per tonne excl. straw or protein payments				
T/ha	Peas	Beans	Oilseed Rape	
			Winter	Spring
2.0	476	504	831	596
2.5	381	403	664	477
3.0	317	336	554	397
4.0	238	252	415	298
4.5	211	224	369	265
5.0	190	202	332	238
5.5	173	183	302	217
6.0	159	168	277	199

Note; Farmers should calculate the costs per tonne over the three most recent harvests before making any decision to forward sell. This will give a more realistic figure to base the calculations on. The calculation is based on the total variable costs, including machinery costs, divided by the average yield.

Note; Figures above based on total variable costs

2022 NON-CEREAL CROP MARGINS

Variable Costs excl. VAT (€ /hectare)

	FODDER Beet	Potatoes Main Crop	MAIZE Open	PEAS Feed	BEANS	OILSEED RAPE	
						Winter	Spring
MATERIALS	1482	3445	1188	459	521	1052	647
Seed	175	1750	190	148	196	80	90
Fertilisers	1030	940	925	146	146	719	514
Sprays:							
Herbicides	215	121	73	84	84	123	33
Fungicides	41	509	0	74	88	99	0
Insecticides	21	125	0	7	7	32	10
HIRE MACHINERY	722	2681	722	439	439	539	511
Plough, Till and Sow	275	800	345	206	206	187	206
Roll	0	0	0	18	18	18	18
Spraying	94	423	24	71	71	118	71
Fertiliser Spreading	33	33	33	17	17	50	50
Swathing/Dessication	0	225	0	0	0	39	39
Harvesting (grading into store)	320	1200	320	128	128	128	128
MISCELLANEOUS	502	4231	42	53	49	70	34
Interest (6%)	52	121	42	11	16	37	16
Transport (€6/Tonne)**	450	270	0	30	33	27	18
Bird Control	0	0	0	12	0	6	0
Potato storage***	0	3840	0	0	0	0	0
TOTAL VARIABLE COSTS	2706	10357	1951	951	1008	1661	1192
Break-even yield (excl. BPS)	67.6	37.7	39	3.7	4.0	3.3	2.4
Net Price (€ /Tonne)	40	275	50	260	250	500	500
(Protein Crops Scheme)	0	0	0	250	250	0	0
Straw	0	0	0	0	0	150	150

Gross Margins (€ /ha)*

	Tonnes/ha Pulses/OSR	BEET	Potatoes Main Crop	MAIZE	PEAS	BEANS	OILSEED RAPE	
							Winter	Spring
Tonnes/hectare (Maize, beet & potatoes)	2.0							-42
30	2.5		-2107					208
35	3.0		-732	-201		-8	-11	458
40	4.0		643	49	339	242	489	958
45	4.5	-906	2018	299	469	367	739	
50	5.0	-706	3393	549	599	492	989	
55	5.5	-506		799	729	617		
65	6.0	-106		1299	859	742		
70		94						
75		294						
80		494						
90		894						

Totals may not agree due to rounding

* Gross margin does not include storage costs for beet or maize. ** Transport cost of €6/tonne at reference yields. Maize harvesting cost includes transport to pit (4-5 trailers). ***Potato storage cost @ €16/t per month for 6 months at reference yields

Note: Irrigation costs of approximately €175 /ha per application can be added to machinery costs when needed.

2022 CEREAL CROP MARGINS

Variable Costs excl. VAT (€/ac)

	FEED WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
MATERIALS	521	402	446	349	344	358	331
Seed	43	43	47	43	46	40	41
Fertilisers	339	263	291	233	223	241	220
Sprays:							
Herbicides	34	32	40	32	32	15	15
Fungicides	90	57	53	39	41	53	47
Insecticides	8	2	2	2	2	2	2
Growth Regulators	6	4	13	0	0	6	6
HIRE MACHINERY	195	193	195	177	177	179	187
Plough, One-pass & Roll	76	83	76	83	83	76	83
Spraying	48	38	48	29	29	38	38
Fertiliser Spreading	20	20	20	13	13	13	13
Harvesting	52	52	52	52	52	52	52
MISCELLANEOUS	49	32	44	29	27	38	27
Interest (6%)	23	11	20	9	9	16	9
Transport (€ 6/Tonne)	27	22	24	19	18	22	18
TOTAL VARIABLE COSTS	765	628	685	555	549	575	544
Break-even yield (grain only)	3.6	3.0	3.4	2.8	2.4	2.9	2.8
Cost per tonne @ <u>reference yields</u>	174	174	171	173	183	160	181
Net Price (€/Tonne)	210	210	200	200	230	195	195
AID (SFP)=NOT included	0	0	0	0	0	0	0
Straw (€/ac)	101	101	121	101	101	101	101

Gross Margins (€/acre)

(Incl. Straw)

Tonnes/acre	FEED WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
2.6	-118	19	-43	67	151	33	64
3.0	-34	103	37	147	243	111	142
3.2	8	145	77	187	289	150	181
3.6	92	229	157	267	381	228	259
4.0	176	313	237	347	473	306	
4.4	260		317				
4.9	365						

Fertiliser requirements are based on reference yields, see table on page 6 for details. Totals may not agree due to rounding. An online version of this calculator is available at:

<https://www.teagasc.ie/crops/crops/reports--publications/crops-margins--ecrops/>

2022 NON-CEREAL CROP MARGINS

Variable Costs excl. VAT (€ /ac)

	FODDER Beet	Potatoes Main Crop	MAIZE Open	PEAS Feed	BEANS	OILSEED RAPE	
						Winter	Spring
MATERIALS	600	1394	481	186	211	426	262
Seed	71	700	77	60	79	32	36
Fertilisers	417	380	374	59	59	291	208
Sprays:							
Herbicides	87	49	30	34	34	50	13
Fungicides	17	206	0	30	36	40	0
Insecticides	8	51	0	3	3	13	3
HIRE MACHINERY	292	1085	292	178	178	218	207
Plough, Till and Sow	111	324	140	83	83	76	83
Roll	0	0	0	7	7	7	7
Spraying	38	171	10	29	29	48	29
Fertiliser Spreading	13	13	13	7	7	20	20
Swathing/Dessication	0	91	0	0	0	16	16
Harvesting (grading into store)	130	486	130	52	52	52	52
MISCELLANEOUS	203	1712	17	22	20	28	14
Interest (6%)	21	49	17	5	6	15	7
Transport (€6/Tonne)**	182	109	0	12	13	11	7
Bird Control	0	0	0	5	0	3	0
Plastic Film/Potato Storage***	0	1554	0	0	0	0	0
TOTAL VARIABLE COSTS	1095	4191	790	385	408	672	482
Break-even yield (excl. BPS)	27.4	15.2	15.8	1.5	1.6	1.3	1.0
Net Price (€ /Tonne)	40	275	50	260	250	500	500
(Protein Crop Subsidy)	0	0	0	101	101	0	0
Straw	0	0	0	0	0	61	61

Gross Margins (€/ac) *

Tonnes/ac Pulses/OSR	BEET	Potatoes Main Crop	MAIZE	PEAS	BEANS	OILSEED RAPE	
						Winter	Spring
Tonnes/hectare (Maize, beet & potatoes)							
14		-341	-90			-12	78
16		209	10	80	43	88	178
18	-375	759	110	236	193	388	278
20	-295	1309	210	288	243	488	578
22	-215		310	340	293		
26	-55		510	392	343		
28	25						
30	105						
32	185						
34	265						

Totals may not agree due to rounding * Gross margin does not include storage costs for beet, potatoes or maize

** Transport cost of €6/tonne at reference yields.***Potato storage cost @ €16/t per month for 6 months at reference yields.

Note: Irrigation costs of approximately €70/ac per application can be added to machinery costs when needed.

CROP BUDGETS & SHARE- FARMING

Variable Costs excl. VAT (€/Acre)

		WINTER WHEAT		SPRING BARLEY		SHARE FARMING	
		Your Figures	Teagasc Figures	Your Figures	Teagasc Figures	Landowner Share	
						WHEAT	BARLEY
MATERIALS (A =B+C+D+E+F+G)	A		<u>521</u>		<u>349</u>		
Seed	B		43		43		
Fertilisers	C		339		233		
Sprays:							
Herbicides	D		34		32		
Fungicides	E		90		39		
Insecticides	F		8		2		
Growth Regulators	G		6		0		
HIRE MACHINERY (H = I+J+K+L)	H		<u>195</u>		<u>177</u>		
Plough, Till and Sow	I		76		83		
Spray	J		48		29		
Fertiliser Spreading	K		20		13		
Harvesting	L		52		52		
MISCELLANEOUS (M =N+O)	M		<u>49</u>		<u>29</u>		
Interest (6%)	N		23		9		
Transport (€6/Tonne)	O		27		19		
TOTAL VARIABLE COSTS (P = A+H+M)	P		<u>765</u>		<u>555</u>		
Tonnes to cover variable costs (Q = P/R)	Q		3.6		2.8		
Net Price (€/Tonne)	R		210		200		
AID (€/Acre)	S		0		0		
Straw (€/Acre)	T		101		101		
Projected yield	U		4.4		3.2		
Gross Margins (€/Acre) (V = (R*U)+S+T-P)	V		<u>260</u>		<u>187</u>		

An excel version of this calculator is available (free) from
<https://www.teagasc.ie/crops/crops-reports--publications/crops-margins--ecrops/>
 Totals may not agree due to rounding

2022 FORAGE CROP MARGINS

Variable Costs excl. VAT (€/hectare)

Crops for use on farm	F. BEET	W'CROP WINTER WHEAT	KALE	RAPE	STUBBLE TURNIPS	MAIZE OPEN
MATERIALS	<u>1482</u>	<u>1287</u>	<u>849</u>	<u>613</u>	<u>291</u>	<u>1188</u>
Seed	175	105	78	20	28	190
Fertilisers	1030	839	708	593	263	925
Sprays:						
Herbicides	215	85	63	0	0	73
Fungicides	41	223	0	0	0	0
Insecticides	21	19	0	0	0	0
Growth regulator	0	16	0	0	0	0
HIRE MACHINERY	<u>1052</u>	<u>639</u>	<u>227</u>	<u>204</u>	<u>97</u>	<u>722</u>
Seedbed Prep + sow	275	187	187	187	80	345
Spraying	94	118	24	0	0	24
Fertiliser Spreading	33	50	17	17	17	33
Harvesting + Covering	320	285	0	0	0	320
Washing and chopping	330	0	0	0	0	0
MISCELLANEOUS						
Interest 6%	52	56	42	31	15	42
TOTAL VARIABLE COSTS	<u>2586</u>	<u>1982</u>	<u>1119</u>	<u>847</u>	<u>402</u>	<u>1951</u>
GREEN YIELD (Tonnes/hectare)						
Leaves(+roots) Fresh wt.	124	30	37	42	25	40
DRY MATTER (Tonnes/hectare)	13.0	12.5	6.0	3.5	2.5	12.0
COST (€/Tonne utilised DM)	199	159	187	242	161	163
UFL Value (Kg DM)	1.12	0.8	1.05	1.1	1.2	0.8

Forage crops should be also evaluated on net energy, protein content and feeding system etc. to discern a more complete value

Totals may not agree due to rounding

The table above is based on all crops being utilised on the farm on which they are grown therefore no transport charges apply.

Comment on Forage Crop Costs

The convenience of growing, storing, feeding and animal performance, are important considerations when deciding which fodder crop to grow. As well as costs per ton of dry matter, forage crops should also be evaluated on net energy (UFL), protein content and feeding system to discern a more complete value. One UFL equals the energy content of 1kg of dried barley.

The opportunity cost of land should be taken into account when making comparisons of fodder and bought in feed. Thus a rental charge of €500/ha may be applied for a full year in the case of grazed grass, maize and whole crop cereals but proportionally less in the case of grass silage and brassicas.

Share farming

Share Farming is an agreement between two individuals (or two businesses) to jointly manage a farming operation. This legal agreement allows both the grower and the landowner to farm as separate legal entities but share in the risks and rewards of growing crops. As both individuals remain separate business entities, they can continue to claim the EU/DAFM payments etc. in their own name as normal.

Key points:

- Share Farming is fully compliant with EU/DAFM schemes
- The agreement is **not** land rental or a Partnership agreement
- The output generated from the land are to reward the
 - Landowner for the land, labour and inputs supplied
 - Share farmer for labour, expertise and inputs supplied
- Both parties are separate business entities and must not open or operate joint accounts to run the farming operation
- Share farming is compatible with the Basic Payment Scheme and Greening, subject to conditions.

A template of a Share Farm Agreement is available on (www.teagasc.ie) which also displays example agreements. Contact your local advisor for more details.

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