

tillage

Aim for high yields and premium crops

Preventing or minimising possible losses on production eating into the Basic Payment Scheme and Greening payments will be a challenge in 2016

Tim O'Donovan
Crop Specialist, Teagasc Crops, Environment, and Land Use Programme

Larry Murphy
Teagasc B&T tillage advisor

Several years of record global harvests of wheat, maize and soya, average yields rising at 1.1% and demand at 0.9%, plus adverse currency movements add up to a chastening background for tillage farmers.

Teagasc budgets (Table 1) forecast a green grain price of around €135/tonne. The current forward price is closer to €120/t and it is changing every day as currency markets exert their influence. Yields in 2015 were exceptional and will be hard to match let alone beat. Savings on fuel and fertiliser may not enough to offset the fall in grain prices.

What can you do to protect your income?

Lower-yielding fields, or parts of fields such as headlands, will not leave a margin. Could a tonne of lime, alleviating compaction, or remedial drainage help? In most cases – no, but examine all the options. Look to beans and oilseed rape to spread drilling and harvest windows.

When deciding whether or not to drill land, knowing the fixed machinery costs such as HP payments, insurance and depreciation as opposed to the variable machinery costs, such as labour, fuel and wearing part repairs, is very useful.

Your budget may show a field making a loss but take off the overheads such as car, phone, electricity and fixed machinery costs and it shows a profit. So, a block of land may be diluting the burden of overhead costs on your remaining land. Of course, the risk and labour input must be balanced against this.



Where possible, maximise the area of premium crops for human feeds, seed, milling and malt. Fodder beet and maize can leave very good margins but you need a keen buyer.

There may be valid entitlement or greening reasons to stick with a block of rented land.

However, from my analysis of growers' figures from 2015 and projecting forward for 2016, most rented land will only leave a margin where wheat yields are over 5t/ac or barley yields are over 4t/ac. And that's when rents are modest, say €150/ac, and everything goes your way. Other crops on rented land need equally high yields or must attract a premium to leave a margin.

In summary, only the highest yielding land will leave a margin in 2016, especially on rented ground and if you are producing feed grains. Maximise premium and break crops where

Table 1: Teagasc spring crop margins 2016 (€/ac not incl VAT)

	Wheat (spring)	Barley (spring)	Oats (spring)	Rape (spring)	Beans (spring)	Fodder beet	Maize
Seed	34	34	32	36	56	73	81
Fertilisers	142	127	116	101	61	214	184
Sprays	77	56	52	15	67	105	45
Miscellaneous	28	25	23	11	19	54	164
Hire machinery	175	160	168	187	159	248	264
Total variable costs	466	403	392	352	363	695	739
Break-even yield	3.1	3.0	2.9	1.0	2.1	19.9	16.4
Net price (€/t)	145	135	135	350	170	35	45
AID/subsidy	0	0	0	0	101	0	0
Straw	32	40	36	0	0	0	0
Target yield	3.6	3.2	3.0	1.4	2.4	26	22
Margin at target yield	98	70	50	138	146	215	365



Robert O'Connor and Larry Murphy in a crop of oilseed rape for seed. Male and female plants are grown in separate lines to facilitate cross-fertilisation at flowering.

possible and consider their benefits across the whole rotation.

Crop selection and rotations

Results from the CROPQUEST study carried out by Teagasc researchers tell us that using break crops will give a 10% yield benefit, on average, to the following crop versus continuous cropping.

We have a low level of crop rotation in Ireland. We need rotations for many reasons, such as disease break, weed control and soil fertility, especially now that land is in continuous cultivation. Good break crops are beans, oilseed rape, fodder beet, maize and, of course, grass.

Robert O'Connor who farms at Cushinstown, New Ross, Co Wexford, says he is fortunate to have acid brown earth soil which is suitable for growing many crops. His crop choices are focused on high value rather

than high output. "I try to go where the demand is," says Robert. "That often means growing premium crops like malting barley or crops for seed production."

“ Results from the CROPQUEST study carried out by Teagasc researchers tell us that using break crops will give a 10% yield benefit on average

"I have a figure in my mind for, say, malting barley and if markets offer that (he gets a text with a price/tonne each week from Boortmalt), I'll sell some grain forward but not more than 70% of the projected crop. The days of

waiting until the day of harvest are gone."

Robert's main crops are spring malt barley and over the last few seasons, he has also grown winter oats, spring wheat and winter oilseed rape. Like most malting barley farmers in the area, the contracted tonnage is static .

"We aim to select crops that are likely to give the best return and three tonnes of spring barley at €130/t is not worthwhile, so we grew beans and oilseed rape last year. Having some winter crops in the ground reduces the workload in the spring and spreads the harvest risk when it comes to weather and harvesting."

This is Robert's third year growing winter oilseed rape for seed and it is overwintering well. "It's the ideal crop," he says. "It leaves a decent margin and it's a break crop... unfortunately, you can really only ever grow it once on a piece of land."