

Sectoral Road Map: Suckler Beef

Market and policy issues

- The European Union (EU) is now a net importer of beef and is now ~97% self-sufficient in beef production. Consumer demand for beef is expected to further exceed EU production over the coming years.
- Ireland exports approximately 90% of its beef production and is the fifth largest net exporter of beef in the world.
- The outcome of the CAP reform deliberations affected farms with a sizable Single Farm Payment per hectare. It is also likely to have a significant negative impact on the incomes of some suckler beef farmers. However, the magnitude of its impact is yet to be decided at national level.
- International trade agreements are a threat to the Irish

beef industry through greater access to EU markets.

Currently, there are ongoing negotiations on bilateral agreements with Canada and Mercosur, and FTA negotiations with the US are expected to start shortly.

- The demand for land for energy crop production and projected dairy herd expansion will compete with that for suckler beef production in the future.
- Increased grain prices arising from the demands of an expanding world population for energy and food production will favour grass-based beef production.

Shape and size of the sector in 2020

- Under the continuation of current policy, the number of suckler beef cows is likely to reduce only marginally between now and 2020. If the Food

Technical and financial performance for suckler steer calf-to-beef production (bull beef).

	Sectoral average		
	Current*	2020	Grange steer (bull)**
Calving interval	390	383	367
Calving – Feb-Mar (%)	33	52	70
Cows/heifers calving in 3 months (%)	78	85	100
Heifers calving at 23-26 months (%)	17	25	100
Replacement rate (%)	15	17	20
Calves/cow/year	0.87	0.90	0.95
Grass (% of total DM fed)	51	54	65 (62)
Silage (% of total DM fed)	38	35	27 (25)
Concentrates (% of total DM fed)	11	11	8 (13)
Herbage utilised (€ DM/ha)	4.7	6.2	10.5 (10.0)
Concentrate per LU (kg DM)	597	560	342 (524)
Steer (bull) carcass weight (kg)	355	361	405 (410)
Steer (bull) age at finish (months)	28	26	24 (18)
Heifer carcass weight (kg)	321	326	315
Heifer age at finish (months)	26	24	20
Mean carcass grade	R=3=	R=3=	R+3=
GHG emissions (kg CO ₂ e/kg carcass)	23.1	21.8	20.9 (19.7)
Organic nitrogen (kg/ha)	110	135	210
Inorganic nitrogen (kg/ha)	75	95	210 (190)
Live weight output (kg/ha)	457	580	956 (1,030)
Carcass output (kg/ha)	250	317	530 (585)
Costs per kg live weight (€/kg)	1.99	1.67	1.77 (1.64)
Gross output (€/ha)	829	1,017	2,166 (2,301)
Gross margin (€/ha)	360	492	1,084 (1,114)
Net margin (€/ha)	-82	50	477 (532)

*NFS 2011 based on single suckling herds with greater than 20 cows – calf to finish.

**Based on prices – beef carcass €4.15/kg; concentrates €300/t; CAN €340/t; Urea €450/t.

Suckler Beef (continued)

Harvest 2020 targets for growth in the dairy sector are achieved, competition for land from expanding dairy production is likely to lead to a reduction in suckler cow numbers by 2020.

- There is likely to be a small reduction in the number of farms with beef cattle.
- An increased uptake of bull beef systems is expected to increase output and efficiencies.
- Production of quality weanlings for live export to the Italian market from the suckler herd will be an option for specialist producers.
- The most efficient suckler calf-to-steer beef producers finishing males as steers can expect to achieve a gross margin in excess of €1,000 per hectare by 2020.

Environmental and land use implications

- Compliance with the Nitrates Directive is not a major issue on most cattle farms but will be a challenge for a number of feedlot type operations. Larger units may expand and avail of a derogation from the Nitrates Directive.
- The targets outlined on page 1 will lead to a reduction in greenhouse gases when expressed on the basis of output per kg of beef produced.
- The Water Framework Directive will result in more monitoring of water quality into the future. Teagasc is confident that good farming practice and good water quality can coexist.

Technical performance indicators

- The table on page 1 sets out the physical and financial targets for efficient suckling calf-to-beef systems – both steer and bull.

Research and advisory actions

- Develop and promote more profitable grass-based systems of suckler beef production driven by better grazing management, increased genetic merit and lower fixed cost infrastructure.
- Research and demonstrate systems that maximise receipts at minimal cost. This can be achieved through reducing fixed and variable costs on farms, increasing price received per head, increasing weight of animal sold, maximising the number of animals sold, and increasing other farm income sources.
- Develop and implement new technology transfer models such as the 'BETTER' (Business Environment Technology through Training, Extension and Research) Farm model. This requires an effective partnership between Teagasc and commercial farmers to enable the effective adoption of available technology and identification of relevant research needs.



- Expand the use of discussion groups and Beef Profit Monitors to communicate technical messages to beef farmers through programmes such as the Beef Technology Adoption Programme (BTAP).
- Develop stronger linkages with industry partners, e.g., meat processors, the ICBF and AHI.
- The outcome of the above actions will be an increase in the productivity and competitiveness of Irish suckler beef farms. This will be achieved through a combination of:
 - greater adoption of best grazing management practices at farm level resulting in an increase in grass utilised per hectare and stocking rate;
 - an increased rate of genetic progress in the national herd resulting in a greater number of calves reared per cow per year;
 - reduced calving interval and more compact seasonal spring calving pattern;
 - greater output of liveweight per hectare; and,
 - reduced costs per liveweight gain.

Comment

- There is a need for a transparent pricing system through closer links in the production-processor-consumer food chain.
- The 40% increase in the output value of the beef sector by 2020, as outlined by the Beef Activation Group in response to the Food Harvest 2020 Report, should be achievable with increased efficiency in suckler beef and an increase in the number of dairy beef calves.

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The road map for suckler beef is available on www.teagasc.ie.