



The 2011 National Farm Survey (NFS) recorded data on 1,050 farms. The full financial results for these farms are available in the National Farm Survey 2011 report, ([www.teagasc.ie/publications](http://www.teagasc.ie/publications)). This publication summarises the 2011 results for the single suckling cattle enterprise and is based on suckler cow enterprises with more than 10 suckler cows. This enterprise is the predominant cattle system and is operated on 31,382 farms nationally.

**Table 1: Average gross and net margin euro per hectare: single suckling**

	2010	2011	Change '10 to '11
	€	€	%
Coupled Suckler Cow Welfare Payment	29	23	-21
<b>Gross Output</b>	<b>577</b>	<b>703</b>	<b>+22</b>
Concentrate Costs	109	101	-7
Pasture and Forage Costs	199	197	-1
Other Direct Costs	83	89	+7
<b>Total Direct Costs</b>	<b>391</b>	<b>387</b>	<b>-1</b>
<b>Gross Margin</b>	<b>186</b>	<b>316</b>	<b>+70</b>
Energy and Fuel	46	58	+26
Other Fixed Costs	342	330	+4
<b>Total Fixed Costs</b>	<b>388</b>	<b>388</b>	<b>-</b>
<b>Net Margin</b>	<b>-203</b>	<b>-72</b>	<b>+65</b>

### 1. Analysis of Financial Performance

Despite the considerable improvement in cattle prices in 2011, on average gross output on suckling farms was still insufficient to cover the total production costs (Table 1). The profit figures reported here exclude all decoupled payments and the costs relating to family labour. The coupled suckler cow welfare payment was reduced from €80 to €40 per cow in 2010. Some farms did not receive their higher 2009 payment until 2010 and hence the slightly higher payment per hectare in 2010 relative to 2011. Total direct costs of production declined by 1% from 2010 to 2011, while total fixed costs remained unchanged. On average suckling farms earned a net margin of -€72 in 2011, a 65% improvement on the losses incurred in 2010.

**Table 2: Average gross and net margin Euro per Cow: single suckling**

	2010	2011	Change '10 to '11
	€	€	%
Total Gross Output	741	879	+19
Total Direct Costs	504	486	-4
Gross Margin	237	393	+66
Total Fixed Costs	520	508	-2
<b>Net Margin</b>	<b>-283</b>	<b>-115</b>	<b>+59</b>

Table 2 presents average gross and net margins per cow for 2010 and 2011. The average gross margin per cow in 2011 was €393 which was a 66% increase on the 2010 level. Average net margin per cow in 2011 was -€115, a 59% improvement on the losses generated per cow in 2010.

### 1. Variation in Production system

Table 3 presents details on the various production systems operated by single suckling farmers, i.e. selling progeny as weanlings, stores or finished animals. Single suckling to store is the most common production system with 40% of farms operating this system. On average, gross output and gross margin is highest on the farms where progeny are reared to finishing. Typically these farms have a higher stocking rate and better soil quality.

**Table 3: Variation in gross margin per hectare by production system**

	<b>Weanling</b>	<b>Store</b>	<b>Finishing</b>
Percentage of Farms	38	40	22
Stocking rate (LU's per hectare)	1.13	1.33	1.44
Percentage of Farms on Very good soils	42	39	55
<b>Gross Output (€/hectare)</b>	<b>626</b>	<b>729</b>	<b>786</b>
Total Direct Costs (€/hectare)	351	400	425
<b>Gross Margin (€/hectare)</b>	<b>276</b>	<b>329</b>	<b>361</b>

Table 4 presents the average sales prices for the various animal types in 2010 and 2011. Sales prices increased across all animal types. Cull cows recorded the highest price increase from 2010 to 2011, contributing to the gross output gains on suckling farms.

**Table 4: Average Animal Sales Prices**

	<b>2010</b>	<b>2011</b>	<b>Change '10 - '11</b>
	€/head	€/head	%
Weanlings	588	730	24
Male Stores	776	946	22
Female Stores	684	857	25
Male Finished	1074	1310	22
Female Finished	922	1120	21
Cull Cows	771	1022	33

### 3. Variation in Performance

Table 5 summarises results for farms classified on the basis of gross margin per hectare; the best performing one-third of farms (Top), the middle one-third (Middle) and the poorest performing one-third (Bottom). Gross output per hectare varies considerably across the three groups mostly due to varying stocking and weaning rates. Gross output per hectare for the Top group is more than double that of the Bottom group. The natural advantage of the Top group is evident with 64% of them operating on very good soils. The Top group earned a gross margin of €552 per hectare in 2011, 5 times higher than the margin earned by the Bottom Group.

**Table 5: Costs and profit per hectare for Top, Middle and Bottom one-third of farms: 2011**

	<b>Top</b>	<b>Middle</b>	<b>Bottom</b>
Stocking rate (LU's per hectare)	1.57	1.23	1.03
Weaning rate (calves per cow)	0.94	0.93	0.84
Percentage of Farms on Very good soils	64%	36%	31%
<b>Gross Output (€/hectare)</b>	<b>1013</b>	<b>644</b>	<b>451</b>
Concentrates (€/hectare)	131	85	89
Pasture and Forage (€/hectare)	217	187	187
Other Direct Costs (€/hectare)	113	79	73
Total Direct Costs (€/hectare)	461	351	349
<b>Gross Margin (€/hectare)</b>	<b>552</b>	<b>293</b>	<b>103</b>



The average sale prices recorded per head for the various animal types on the Top, Middle and Bottom farms are presented in Table 6. Typically across all animal types, farms in the Top group achieve a 10% price premium for their animals compared to farms in the Bottom group, suggesting that the Top group of farms are producing heavier and/or superior quality animals. The higher prices achieved by the Top farms also contributes to the variation in profit recorded across the three group.

**Table 6: Average Sale Prices by Animal Type for Top, Middle and Bottom farms: 2011**

	<b>Top</b>	<b>Middle</b>	<b>Bottom</b>
Weanlings	752	724	702
Male Stores	1014	915	905
Female Stores	888	860	808
Male Finished Animals	1334	1298	1241
Female Finished Animals	1150	1080	1043

Table 7 shows the distribution of gross margin per hectare. The proportion of farms earning a negative gross margin, i.e. made a loss when only direct costs were considered, decreased from 12% in 2010 to 4% in 2011. At the opposite end of the distribution, only 19% of farms earned a gross margin of €500 per hectare or more in 2011 compared to 6% in 2010.

**Table 7: Distribution of gross margin € per hectare: 2010 and 2011**

<b>Gross Margin</b>	<b>2010</b>	<b>2011</b>
<b>€/hectare</b>	<b>%</b>	<b>%</b>
<0	12%	4%
0 to 150	33%	16%
150-300	33%	33%
300-500	17%	27%
>500	6%	19%

The Teagasc Road Map for beef production has set performance indicators for the sector for 2018. Table 8 shows the percentage of farms that achieved a selection of these targets in 2010 and 2011. As can be seen performance improved along all dimensions. However, it should be noted that much of the gain in gross output and gross margin from 2010 to 2011 is due to higher cattle prices.

**Table 8: Percentage of farms achieving selected Teagasc beef road map targets**

	<b>Percentage 2010</b>	<b>Percentage 2011</b>
Calving season: $\geq$ 52% of cows calved in Feb and March	21	29
Fertility rate: $\geq$ 0.87 calves per cow	58	60
Concentrate usage: $\leq$ 438kg per livestock unit	67	79
Gross output: $\geq$ €887 per hectare	16	25
Gross margin: $\geq$ €377 per hectare	10	35



*For further information on this publication or other National Farm Survey publications contact  
NFS@teagasc.ie*