



The 2013 National Farm Survey (NFS) recorded data on over 900 farms. The full financial results for these farms are available in the National Farm Survey 2013 report, (www.teagasc.ie/publications). This publication summarises the results for the major cereal enterprises (Winter wheat and Spring barley) on these farms.

In terms of representation, there were 92 farms with a Spring barley enterprise in the survey in 2013, representing approx. 142,000 hectares. Farms with less than 10 hectares of Winter wheat or Spring barley are excluded from the following analysis.

Table 1: Average gross and net margin € per hectare: Main cereal crops

	2012	2013	% Change	2012	2013	% Change
	Spring barley	Spring barley	(Spring barley) '12 to '13	Winter wheat	Winter wheat	(Winter wheat) '12 to '13
Yield per hectare	5.6	7.0	+25%	7.2	8.8	+22%
Price per tonne	214	164	-23%	213	180	-15%
Gross Output per hectare	1264	1229	-3%	1620	1714	+6%
Fertiliser, Seed, Crop Protection	486	512	+5%	678	668	-1%
Other direct costs	157	163	+4%	174	127	-27%
Total Direct Costs	644	675	+5%	853	799	-6%
Gross Margin	620	534	-14%	767	915	+19%
Total Fixed Costs	487	523	+7%	644	675	+5%
Total Costs	1101	1198	+9%	1497	1474	-2%
Net Margin	133	31	-73%	123	240	+95%

1. Analysis of Financial Performance

2013 was an exceptionally good year in terms of cereal yield which would have translated into a substantial improvement in output value were it not for the decrease in prices which were received. Cereal yields for the two main cereal crops, Spring barley and Winter wheat, increased by 25% and 22% respectively, while prices for the afore mentioned crops decreased by circa 20%. This resulted in a decrease in output value for the Spring barley crop but an increase in output value for the Winter wheat crop, where the increase in yield was sufficient to offset the decrease in price (Table 1). Hence, net margin decreased on Spring barley farms, by nearly €100, whereas net margin for the Winter wheat crop increased by over €100 per hectare, in 2013 relative to 2012.

Table 2 presents average margins per tonne of crop produced for 2012 and 2013. Total costs per tonne decreased for the two main crops. This cost decrease was not large enough for the Spring barley

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crop to counterbalance the decrease in prices received per tonne. Hence, Spring barley net margin decreased in 2013 relative to 2012. However, the decrease in output value per tonne for the Winter wheat crop was more than compensated for by the decrease in costs per tonne, hence Winter wheat net margin increased in 2013 relative to 2012. In 2013 net margins for S. barley and W. wheat were €4 and €27 per tonne respectively.

Table 2: Average gross and net margin € per tonne of S. Barley and W. Wheat

	2012 Spring barley	2013 Spring barley	Change (Spring barley) '12 to '13	2012 Winter wheat	2013 Winter wheat	Change (Winter wheat) '12 to '13
Cereal price per tonne	214	164	-23%	213	180	-16%
Total Gross Output (incl. straw)	226	176	-22%	225	195	-13%
Fertiliser, seed, crop protection	87	73	-16%	94	76	-19%
Other direct costs	28	23	-17%	24	14	-40%
Total Direct Costs	115	96	-16%	118	91	-23%
Gross Margin	110	76	-31%	107	104	-3%
Total Fixed Costs	87	75	-14%	89	77	-14%
Total Costs	197	171	-13%	208	168	-19%
Net Margin	24	4	-82%	17	27	+60%

2. Variation in Financial Performance

The data in Tables 1 and 2 presents the average across all hectares and tonnes of S. barley and W. wheat in the country. The wide variation that occurs throughout the country in financial performance between different cereal producers is not apparent. Table 3 shows the average costs of production and margin for farms and splits the sample into top and bottom performers on the basis of net margin per hectare per farm.

Total costs of production per hectare more variable in the Spring barley sample than the Winter wheat sample, with over a 20 per cent cost differential on Spring barley farms (per hectare) and only a 5% differential on Winter wheat farms. However large differences in gross output per hectare exist between the groupings for both crops. Gross output per hectare for the top half of Spring barley and Winter wheat farms is about 15 per cent higher respectively than the bottom half of farms. Overall, this results in a €467 and €331 per hectare difference in net margin per hectare between the bottom and top performing S. barley and W. wheat farms.

Table 3: Variation in output and margin 2013: top and bottom performing cereal farms

	Spring Barley			Winter Wheat		
	<i>Bottom</i>	<i>Top</i>	<i>% Diff.</i>	<i>Bottom</i>	<i>Top</i>	<i>% Diff.</i>
Yield (tonnes per hectare)	6.8	7.3	7%	7.9	9.7	23%
Price per tonne	162	166	2%	186	175	-6%
Gross output (€ per hectare)	1173	1328	13%	1584	1834	16%
Fert., seed, spray (€ per hectare)	539	484	-10%	657	679	3%
Other direct costs (€ per hectare)	203	122	-40%	181	73	-60%
Gross Margin (€ per hectare)	431	721	67%	746	1075	44%
Total Fixed Costs (€ per hectare)	620	443	-29%	676	673	-
Total Costs (€ per hectare)	1363	1050	-23%	1513	1432	-5%
Net Margin (€ per hectare)	-189	278	247%	71	402	466%

Table 4 shows the distribution of net margin per hectare on S. barley and W. wheat farms in 2012 and 2013. In 2012, 30% of S. barley farms and 39% of W. wheat farms earned a negative net margin, i.e. made a loss when all overhead costs were considered. In 2013 this proportion increased for Spring barley farms to 45% and decreased for Winter wheat farms to 21%. At the opposite end of the distribution only 4% and 5% of S. barley and W. wheat farms respectively earned a net margin of €750 or more in 2012, with no farms falling into this category in 2013.

Table 4: Distribution of net margin € per hectare: 2012 and 2013

Net Margin €/hectare	% of farms		% of farms	
	S. Barley		W. Wheat	
	2012	2013	2012	2013
<0	30	45	39	21
0 to 250	41	33	26	46
250-500	21	19	20	17
500-750	4	3	10	16
>750	4	0	5	0

3. Variation in Technical Performance

Table 5 presents average technical performance across all hectares in 2010, 2011, 2012 and 2013 along a number of indicators. Technical performance increased along all measures examined in 2013 relative to 2012.

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Table 5: Technical Performance Indicators

	Average 2010	Average 2011	Average 2012	Average 2013
S. barley land productivity (yield per hectare)	6.4	6.8	5.6	7.0
W. wheat land productivity (yield per hectare)	8.8	9.7	7.2	8.8
Labour productivity (W. wheat yield per labour unit)	774	787	666	700
Crop protection usage (Cost per tonne of W. wheat crop)	28	25	37	30

The Teagasc Road Map for tillage crops has set performance indicators for farms for 2020. Table 6 shows the percentage of farms that achieved a selection of these targets in 2012.

Table 6: Percentage of farms achieving selected Teagasc tillage road map targets

	Percentage 2012	Percentage 2013
Barley yield \geq 8.5 t/ha	0	5
Wheat yield \geq 10.5 t/ha	0	0
Barley yield \geq 9 t/ha (target for top 10% of producers)	0	2
Wheat yield \geq 11 t/ha (target for top 10% of producers)	0	0
Wheat costs \leq €1,100 per ha	7	4
Barley costs \leq €950 per ha	15	15
Wheat costs \leq €1050 per ha (target for top 10% of producers)	6	4
Barley costs \leq €900 per ha (target for top 10% of producers)	11	9

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