

## Teagasc National Farm Survey Results 2014



### Cattle Finishing Enterprise

The 2014 Teagasc National Farm Survey (NFS) recorded data on 895 farms. The full financial results for these farms are available in the National Farm Survey and to download at [www.teagasc.ie/nfs](http://www.teagasc.ie/nfs). The performance of the cattle finishing enterprise in 2014 is summarised here. An enterprise is defined as cattle finishing if over 70% of the animals are sold for slaughter, approximately 10,900 farms nationally are represented in this analysis. The data presented here are for enterprises with more than 10 livestock units (lu) in 2014.

#### 1. Analysis of Financial Performance

The profit figures reported here exclude all decoupled payments and the costs relating to family labour. Finished cattle prices fell considerably in 2014 with the value of output per hectare down 18 percent on the 2013 level. Direct costs also decreased substantially mostly due to a reduction in concentrate feed use, which was at an elevated level in 2013 due to the fodder crisis. The fall in costs was not sufficient to offset declining prices and net margin declined by 30 percent, pushing the margin before direct payments further into negative territory.

**Table 1: Average gross and net margin Euro per hectare: Cattle finishers**

	2013	2014	% Change '13 to '14
<b>Gross Output</b>	<b>1,157</b>	<b>948</b>	<b>-18</b>
Concentrate Costs	425	278	-35
Pasture and Forage Costs	254	277	+9
Other Direct Costs	81	79	-2
Total Direct Costs	760	634	-17
<b>Gross Margin</b>	<b>397</b>	<b>314</b>	<b>-21</b>
Energy and Fuel	120	117	-2
Other Fixed Costs	410	367	-10
<b>Total Fixed Costs</b>	<b>530</b>	<b>484</b>	<b>-9</b>
<b>Net Margin</b>	<b>-133</b>	<b>-170</b>	<b>-30</b>

**Table 2: Average gross and net margin Euro per Livestock unit: cattle finishers**

	2013	2014	% Change '13 to '14
Gross Output	703	602	-14
Total Direct Costs	454	407	-10
Gross Margin	250	196	-22
Total Fixed Costs	337	325	-4
<b>Net Margin</b>	<b>-87</b>	<b>-129</b>	<b>-48</b>

The average gross margin per livestock unit in 2014 was €196 a 22% reduction on the 2013 level (Table 2). Average net margin per livestock unit in 2014 was -€129.

**Table 3: Animal Purchase and Sale Prices 2013 and 2014**

	2013	2014	% Change '13 to '14
Weanlings Purchases	809	766	-5
Male Stores Purchases	948	948	0
Female Stores Purchases	927	867	-6
Finished Males Sales	1,534	1,391	-9
Finished Females Sales	1,393	1,273	-9

Table 3 presents the average purchase and sales prices recorded on cattle finishing farms for the various animal types in 2013 and 2014. The squeeze in margins endured by cattle finishers in 2014 is evident. The sale price for finished animals declined by a much larger amount than young animal purchase price. Average finished animal prices were down 9 percent in 2014.

## 2. Variation in Financial Performance

Table 4 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). The value of gross output per hectare varies considerably across the three groups, mostly due to a variation in stocking rates. The average gross output per hectare for the Bottom group slipped into the negative in 2014. The natural advantage of the Top group is evident with 88% of them farming very good soils.

**Table 4: Costs and profit per hectare for Top, Middle and Bottom one-third of farms: 2014**

	Top	Middle	Bottom
Stocking rate (lu/hectare)	1.88	1.41	1.33
Percentage of Farms on Very good soils	88	68	42
Gross Output (€/hectare)	1,420	851	618
Concentrates (€/hectare)	275	237	324
Pasture and Forage (€/hectare)	317	253	264
Other Direct Costs (€/hectare)	107	65	69
Total Direct Costs (€/hectare)	699	555	657
<b>Gross Margin (€/hectare)</b>	<b>721</b>	<b>296</b>	<b>-39</b>

The average sale and purchase prices recorded for the various animal types on the Top, Middle and Bottom farms are presented in Table 5. On average farms in the Top purchased young animals at prices about 7 to 8 percent lower than farms in the Bottom group but still managed to sell the finished animals at a 2 percent premium over the price received by the Bottom group.

**Table 5: Average Sale and Purchase Prices by Animal Type for Top, Middle & Bottom farms: 2014**

	<b>Top</b>	<b>Middle</b>	<b>Bottom</b>
Weanlings purchases	738	774	797
Male Stores purchases	924	939	1004
Female Stores purchases	865	838	889
Finished Males sales	1,401	1,390	1,371
Finished Females sales	1,295	1,235	1,268

### 3. Variation in Technical Performance

Table 6 presents selected technical performance indicators for cattle finishing enterprises in 2013 and 2014. The significant reduction in the use of concentrate feeds in 2014 was driven by the recovery from the fodder crisis. There was a slight reduction in the number of livestock units both per hectare and per labour unit in 2014.

**Table 6: Technical Performance Indicators**

	<b>2013</b>	<b>2014</b>	<b>% Change '13 to '14</b>
Use of concentrate feeds (kg per livestock unit)	817	686	-16
Stocking rate (livestock units per hectare)	1.57	1.53	-3
Labour efficiency (livestock units per labour unit)	54.0	50	-7

**Table 7: Distribution of gross margin € per hectare: 2013 and 2014**

In 2013 11% of farms earned a negative gross margin, i.e. made a loss when only direct costs were considered, this number increased to 13 percent in 2014. At the opposite end of the spectrum, the percentage of farms earning a gross margin per hectare of €500 or more declined from 34% in 2013 to 26% in 2014.

<b>Gross Margin</b>	<b>% of farms</b>	
	<b>2013</b>	<b>2014</b>
<0	11	13
0 to 150	10	18
150-300	18	21
300-500	27	22
>500	34	26