

CROPS COSTS AND RETURNS 2018

Compiled by:
Ciaran Collins and Shay Phelan, Tillage Crops Specialists



Crop Margins

The Teagasc Crops Costs & Returns are intended as an indicative guide to crop margins; however land suitability, rotation, risk avoidance and husbandry skills must also be considered. As well as completing crop margins, all growers are strongly advised to complete a full financial appraisal of their business using the Teagasc Profit Monitor and Teagasc Machinery Costs Calculator.

There is little difference in margins between the feed cereals. Non-cereal break crops offer benefits in terms of rotation, workload and risk-spreading but the sale of inter-farm produce needs careful planning to ensure profitable crops. In the case of malting barley, food-grade oats and milling wheat, the availability of contracts and fulfilment of specific contract requirements such as specified varieties, quality parameters and input purchases need to be appraised in conjunction with the guideline margins here.

Under the Basic Payment Scheme, payments are decoupled from the crop being grown. Crop changes as a result of Crop Diversification (2/3-Crop Rule) need to be considered over at least a 5-year time frame, to avoid future rotational issues such as pest, weed or disease build-up. The land, on which you claim entitlements, must be maintained in "good agricultural and environmental condition" as heretofore.

Leasing entitlements; where a farmer doesn't have enough land to claim their entitlements these surplus entitlements can be leased out without land to a farmer who has surplus land.

Note: The margins shown here do not include the Basic or Greening payments, however Beans/Peas do include the Protein Crop subsidy (€3 million over 12,000 ha = €250/ha) However this payment will be reduced if the national threshold of 12,000ha is breached.

For more information see <https://www.teagasc.ie/crops/crops/greening/>

Conacre appraisal

The following table will provide a guide for growers and land owners as to the value of conacre.

1	Entitlement Value (€/ha)	
2	Gross Margin achievable (€/ha)	
3	Land issues* e.g. fertility, pH, P, K, trace elements, grass-weeds, other additional costs (€/ha)	
4	Total available for rent + contribute to fixed costs + profit (€/ha)	(1+2)-3

* Growers also need to evaluate potential costs due to Greening when considering land rental.

Material Costs

Level of yield has a major influence on profitability. Decisions on input strategies must be tailored for individual fields and farms. The prices of grain (+ other crop output) and fertilisers may vary considerably from those predicted. The fertiliser strategies contained within are guidelines only, hence growers are advised to complete a nutrient management plan and utilise organic manures where feasible. Timeliness and attention to detail in carrying out all operations are vital to maintaining profitability in crop production. All material costs should be optimised, consistent with good husbandry practices.

Machinery Costs

Investments in machinery require a thorough financial appraisal before a decision is taken. The average machinery cost (incl. repayments, depreciation, fuel and repairs) on 139 tillage farms (15,000 ha) in 2016 was €293/ha this figure does not include labour. The machinery costs on these farms was analysed using the Teagasc Machinery Cost Calculator and is available from your local Teagasc Tillage Advisor.

Fixed Costs

Fixed costs (not incl. interest, machinery or land rental) are unique to each farm but as a guide, the average of the Teagasc National Farm Survey 2016 (mainly tillage group) is approximately €200/ha.

2018 CEREAL CROP MARGINS

Variable Costs excl. VAT (€/ha)

	FEED WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
MATERIALS	<u>737</u>	<u>584</u>	<u>656</u>	<u>504</u>	<u>503</u>	<u>528</u>	<u>467</u>
Seed	75	87	83	85	88	82	83
Fertilisers	375	311	328	278	268	291	254
Sprays:							
Herbicides	56	45	56	45	45	30	30
Fungicides	193	127	136	91	96	105	80
Insecticides	23	5	32	5	5	5	5
Growth Regulators	15	10	20	0	0	15	15
HIRE MACHINERY	<u>432</u>	<u>414</u>	<u>414</u>	<u>378</u>	<u>378</u>	<u>396</u>	<u>396</u>
Plough, One-pass & Roll	174	174	174	174	174	174	174
Spray	90	72	72	54	54	72	72
Fertiliser Spreading	54	54	54	36	36	36	36
Harvesting	114	114	114	114	114	114	114
MISCELLANEOUS	<u>96</u>	<u>69</u>	<u>87</u>	<u>58</u>	<u>58</u>	<u>77</u>	<u>57</u>
Interest (6%)	30	15	27	13	13	23	12
Transport (€6/Tonne)	66	54	60	45	45	54	45
TOTAL VARIABLE COSTS	<u>1265</u>	<u>1067</u>	<u>1156</u>	<u>940</u>	<u>939</u>	<u>1000</u>	<u>920</u>
Break-even yield (grain only)	8.4	7.1	8.3	6.7	5.6	7.1	6.6
Cost per tonne @ target yields*	115	119	116	118	125	111	123
Net Price (€/Tonne)	150	150	140	140	168	140	140
AID (SFP) = NOT included	0	0	0	0	0	0	0
Straw (€/ha)	90	80	140	100	100	100	90

Gross Margins (€/hectare)

(Incl. Straw)

Tonnes/hectare	FEED WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
<u>6.5</u>	<u>-200</u>	<u>-12</u>	<u>-106</u>	<u>70</u>	<u>253</u>	<u>10</u>	<u>80</u>
<u>7.5</u>	<u>-50</u>	<u>138</u>	<u>34</u>	<u>210</u>	<u>421</u>	<u>150</u>	<u>220</u>
<u>8.0</u>	<u>25</u>	<u>213</u>	<u>104</u>	<u>280</u>	<u>505</u>	<u>220</u>	<u>290</u>
<u>9.0</u>	<u>175</u>	<u>363</u>	<u>244</u>	<u>420</u>	<u>673</u>	<u>360</u>	<u>430</u>
<u>10.0</u>	<u>325</u>	<u>513</u>	<u>384</u>	<u>560</u>	<u>841</u>	<u>500</u>	
<u>11.0</u>	<u>475</u>		<u>524</u>				
<u>12.0</u>	<u>625</u>		<u>664</u>				

*Crop margins are underlined for the various crop target yields.

Totals may not agree due to rounding

An online version of this calculator is available at www.teagasc.ie/crops

EXPLANATORY NOTES

Fixed or Overhead Costs per Hectare

Grass weed control (cultural/glyphosate) €18, Lime €20, Maintenance of Land and Fences, Car, Phone, ESB and professional/agronomist fees etc. (Total €200/ha).

Vat is excluded from input costs and outputs

A. INPUT COSTS: CEREAL CROP

€/ha

Seed: €500 /t Blue Label (Extra dressings/ton: Deter €170; Latitude: €210 barley, €310 wheat)
 Rate: W. Wheat - 150 kg/ha; W. Barley (+ Deter) - 170 kg/ha
 W + S Oats - 160 kg/ha; S. Barley & S. Wheat - 170 kg/ha

Fertiliser:	Total Fertiliser (kg/ha)			Fertiliser Bags (No. of 50kg bags/ha)			
	N	P	K	CAN + S	Cmpnd*	50% K	€/ha
W. Wheat	250	37	110	15.8	7.4	1.4	€375
W. Barley	210	37	100	12.8	7.4	1.0	€328
W. Oats	150	37	130	8.4	7.4	2.2	€291
S. Wheat	190	29	110	9.3	9.8	0.5	€311
S. Barley	165	29	100	7.5	9.8	-	€278
Malt Barley	155	29	100	6.8	9.8	-	€268
S. Oats	131	29	111	5.0	9.8	0.5	€254

CAN + S @ €265/t; *S. Cereals 13-6-20 @ €365/t; *W. Cereals 10-10-20 @ €380/t; 50% K @ €355/t

N = Index 1 + yield bonus; P & K = Index 3 + yield bonus. Based on SI No. 31 of 2014.

P & K Build Up – At soil Index 1 & 2 additional P & K will cost €55 & 35/ha respectively.

	€/ha
Herbicides: W. Wheat & W. Barley €56/ha; S Wheat & S Barley €45/ha; Oats €30/ha	
Fungicides:	
Winter Wheat:	
T0: Chlorothalonil (CTL)+/- Morph	€11
T1: Eyespot + B.S. + CTL @ 3rd last leaf emerged	€61
T2: Broad Spectrum (B.S.) + CTL. @ G.S. 39	€71
T3: B.S. (incl. triazole) @ G.S. 55-60	€50
Spring Wheat:	
T1: 1/2 rate (B.S. + Morph. + CTL) @ G.S. 30-32	€31
T2: B.S. + CTL. @ G.S. 37-39	€56
T3: B.S. (incl. triazole) @ G.S. 55-60	€40
S. Barley: 2 Fungicides (Triazole/SDHI/Strob) G.S. 30, GS 37-49	= €91
Winter Barley: 3 Fungicides (Triazole/SDHI/Strob) G.S. 30/31, 32-37, 49	= €136
W. Oats: Triazole + morph at T1+T2, Triazole + Strob at T3	= €105
S. Oats: Reduced Rates W. Oats	= €80
Insecticides: Winter wheat: Red. Slug Pellets (€13/ha) + Aphicide (€10/ha)	= €23
Winter barley: Deter €27/ha + contact €5/ha	= €32
Other Cereals: Aphicide (€5 - €10/ha)	= €5
Growth Regulators: W. Wheat, W & S Oats	= €15
Spring Wheat	= €10
Winter Barley	= €20
Hire Machinery: Plough (€76/ha), Till, Sow & Roll (€98/ha)	= €174
Spraying (@ €18/ha):	
W. Wheat: Weeds + Aphids, PGR, Fungicide x 3	= €90
S. Wheat: Weeds + Aphids, PGR/Fungicide x 3	= €72
W. Barley: Weeds + Aphids, PGR/Fungicide x 3	= €72
S. Barley: Weeds + Aphids, Fungicide x 2	= €54
W. Oats: Weeds + Aphids, PGR/Fungicide x 3	= €72
Fertiliser Spreading (@ €18/ha)	= €36-54
Harvesting	= €114
Interest 6%: Seed + Fertiliser + 0.5 Sprays; Winter - 10 months; Spring - 6 months	

2018 CEREAL CROP MARGINS

Variable Costs excl. VAT (€/ac)

	FEED WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
MATERIALS	298	236	265	204	203	214	189
Seed	30	35	34	34	36	33	34
Fertilisers	152	126	133	113	109	118	103
Sprays:							
Herbicides	23	18	23	18	18	12	12
Fungicides	78	51	55	37	39	42	32
Insecticides	9	2	13	2	2	2	2
Growth Regulators	6	4	8	0	0	6	6
HIRE MACHINERY	175	167	167	153	153	160	160
Plough, One-pass & Roll	70	70	70	70	70	70	70
Spray	36	29	29	22	22	29	29
Fertiliser Spreading	22	22	22	15	15	15	15
Harvesting	46	46	46	46	46	46	46
MISCELLANEOUS	39	28	35	23	23	31	23
Interest (6%)	12	6	11	5	5	9	5
Transport (€ 6/Tonne)	27	22	24	18	18	22	18
TOTAL VARIABLE COSTS	512	432	468	380	380	405	372
Break-even yield (grain only)	3.4	2.9	3.3	2.7	2.3	2.9	2.7
Cost per tonne @ target yields*	116	120	117	119	127	112	124
Net Price (€/Tonne)	150	150	140	140	168	140	140
AID (SFP) = NOT included	0	0	0	0	0	0	0
Straw (€/ha)	36	32	57	40	40	40	36

Gross Margins (€/ac)

(Incl. Straw)

Tonnes/acre	FEED WHEAT		FEED BARLEY		MALTING BARLEY	FEED OATS	
	Winter	Spring	Winter	Spring		Winter	Spring
<u>2.6</u>	<u>-85</u>	<u>-9</u>	<u>-47</u>	<u>24</u>	<u>97</u>	<u>0</u>	<u>28</u>
<u>3.0</u>	<u>-25</u>	<u>51</u>	<u>9</u>	<u>80</u>	<u>165</u>	<u>56</u>	<u>84</u>
<u>3.2</u>	<u>5</u>	<u>81</u>	<u>37</u>	<u>108</u>	<u>198</u>	<u>84</u>	<u>112</u>
<u>3.6</u>	<u>65</u>	<u>141</u>	<u>93</u>	<u>164</u>	<u>265</u>	<u>140</u>	<u>168</u>
<u>4.0</u>	<u>125</u>	<u>201</u>	<u>149</u>	<u>220</u>	<u>333</u>	<u>196</u>	
<u>4.4</u>	<u>185</u>		<u>205</u>				
<u>4.9</u>	<u>260</u>						

*Crop margins are underlined for the various crop target yields.

Totals may not agree due to rounding

An online version of this calculator is available at www.teagasc.ie/crops/crops_margins

2018 NON CEREAL CROP MARGINS

Variable Costs excl. VAT (€/acre)

	F. BEET	Potatoes Main Crop	MAIZE	PEAS	BEANS	OILSEED RAPE	
						Winter	Spring
MATERIALS	374	1028	286	186	177	246	142
Seed	78	506	81	65	56	32	36
Fertilisers	185	229	161	53	53	125	90
Sprays:							
Herbicides	83	42	45	32	32	40	12
Fungicides	12	202	0	32	32	36	0
Insecticides	16	49	0	3	3	12	3
HIRE MACHINERY	246	953	263	157	153	188	188
Plough, Till and Sow	101	314	134	70	70	70	70
Roll	0	0	0	7	7	7	7
Spray/Irrigation	29	131	0	22	22	22	22
Fertiliser Spreading	14	14	14	7	7	22	22
Swathing/Dessication	0	18	0	0	0	20	20
Harvesting (grading into store)	101	476	115	50	46	46	46
MISCELLANEOUS	171	133	249	22	19	22	11
Interest (6%)	13	36	10	5	5	9	4
Transport (€/Tonne)**	158	97	134	12	13	11	7
Bird Control	0	0	0	5	0	3	0
Plastic Film	0	0	105	0	0	0	0
TOTAL VARIABLE COSTS	791	2114	799	365	348	456	340
Break-even yield	22.6	10.6	17.7	1.5	2.2	1.2	0.9
Net Price (€/Tonne)	35	200	45	240	160	380	380
AID (Protien Crop Subsidy)	0	0	0	101	101	0	0

Gross Margins (€/ac)*

Tonnes/acre (Maize, beet & & potatoes)	Tonnes/acre Pulses/ OSR	F. BEET	Potatoes Main Crop	MAIZE	PEAS	BEANS	OILSEED RAPE	
							Winter	Spring
	1.0							40
12	1.2		286	-259			0	116
14	1.4		686	-169	72	-23	76	192
16	2.0	-231	1086	-79	216	73	304	420
20	2.2	-91	1886	101	264	105	380	
22	2.4	-21		191	312	137		
26	2.6	119		371	360	169		
28		189						

Totals may not agree due to rounding

* Gross margin does not include storage costs for beet, potatoes or maize ** Transport cost of €/tonne at target yields.
Note: Irrigation costs of approximately €70 /ac per application can be added to machinery costs when needed.

GROWER'S OWN CROP BUDGET

Variable Costs excl. VAT (€/Acre)

		WINTER WHEAT		SPRING BARLEY		ANOTHER CROP	
		Your Figures	Teagasc Figures	Your Figures	Teagasc Figures	Your Figures	Teagasc Figures
MATERIALS (A =B+C+D+E+F+G)	A		<u>298</u>		<u>204</u>		
Seed	B		30		34		
Fertilisers	C		152		113		
Sprays:							
Herbicides	D		23		18		
Fungicides	E		78		37		
Insecticides	F		9		2		
Growth Regulators	G		6		0		
HIRE MACHINERY (H = I+J+K+L)	H		<u>175</u>		<u>153</u>		
Plough, Till and Sow	I		70		70		
Spray	J		36		22		
Fertiliser Spreading	K		22		15		
Harvesting	L		46		46		
MISCELLANEOUS (M =N+O)	M		<u>39</u>		<u>23</u>		
Interest (6%)	N		12		5		
Transport (€/Tonne)	O		27		18		
TOTAL VARIABLE COSTS (P = A+H+M)	P		<u>512</u>		<u>380</u>		
Tonnes to cover variable costs (Q = P/R)	Q		3.4		2.7		
Net Price (€/Tonne)	R		150		140		
AID (€/Acre)	S		0		0		
Straw (€/Acre)	T		36		40		
Projected yield	U		4.4		3.2		
Gross Margins (€/Acre) (V = (R*U)+S+T-P)	V		<u>185</u>		<u>108</u>		
Gross Margins (€/Acre)							

An excel version of this calculator is available (free) from www.teagasc.ie/crops
Totals may not agree due to rounding

Share Farming Crop Budget

		=	Land-owner Share	+	Share Farmer Share
Variable Costs excl. VAT (€/Acre)	Crop Budget (€/ac)		(€/ac)		(€/ac)
MATERIALS (A= B+C+D+E+F+G)	A				
Seed	B				
Fertilisers	C				
Sprays:					
Herbicides	D				
Fungicides	E				
Insecticides	F				
Growth Regulators	G				
MACHINERY COSTS (H =I+J+K+L)	H				
Plough, Till and Sow	I				
Spray	J				
Fertiliser Spreading	K				
Harvesting	L				
MISCELLANEOUS COSTS (M =N+O)	M				
Interest	N				
Transport	O				
TOTAL VARIABLE COSTS (P =A+H+M)	P				
Tonnes to cover variable costs (Q =P/R)	Q				
Net Price (€/Tonne)	R				
AID (€/Acre)	S				
REPS €/Acre)	T				
Straw (€/Acre)	U				
Projected yield	V				
Gross Margins (€/Acre)	W	=		+	
(W = (R*V)+S+T+U-P)					

2018 NON CEREAL CROP MARGINS

Variable Costs excl. VAT (€/hectare)

	F. BEET	Potatoes Main Crop	MAIZE	PEAS	BEANS	OILSEED RAPE	
						Winter	Spring
MATERIALS	924	2541	708	460	436	608	351
Seed	193	1250	200	162	138	80	90
Fertilisers	456	566	398	131	131	308	223
Sprays:							
Herbicides	205	105	110	80	80	100	30
Fungicides	30	500	0	80	80	90	0
Insecticides	40	120	0	7	7	30	8
HIRE MACHINERY	608	2354	651	388	378	464	464
Plough, Till and Sow	250	775	330	174	174	174	174
Roll	0	0	0	18	18	18	18
Spray	72	324	0	54	54	54	54
Fertiliser Spreading	36	36	36	18	18	54	54
Swathing/Dessication	0	44	0	0	0	50	50
Harvesting (grading into store)	250	1175	285	124	114	114	114
MISCELLANEOUS	422	329	615	53	46	55	27
Interest (6%)	32	89	25	11	13	21	9
Transport (€/Tonne)**	390	240	330	30	33	27	18
Bird Control	0	0	0	12	0	6	0
Plastic Film	0	0	260	0	0	0	0
TOTAL VARIABLE COSTS	1954	5224	1973	901	860	1126	841
Break-even yield (excl. Aid)	55.8	26.1	43.8	3.8	5.4	3.0	2.2
Net Price (€/Tonne)	35	200	45	240	160	380	380
AID (Protein Crops Scheme)	0	0	0	250	250	0	0

Gross Margins (€/ha)*

	Pulse/ OSR	BEET	Potatoes Main Crop	MAIZE	PEAS	BEANS	OILSEED RAPE	
							Winter	Spring
Tonnes/hectare								
(Maize, beet	2.0							-81
& potatoes)	2.5							109
	30		776	-623			14	299
	35		1776	-398	309	30	394	679
	40	-554	2776	-173	429	110	584	869
	50	-204	4776	277	549	190	774	
	55	-29		502	669	270		
	65	321		952	789	350		
	70	496						

Totals may not agree due to rounding

* Gross margin does not include storage costs for beet, potatoes or maize ** Transport cost of €6/tonne at target yields

Note: Irrigation costs of approximately €175 /ha per application can be added to machinery costs when needed.

B. INPUT COSTS: NON CEREAL CROPS €/ha

Beet:	1,000 kg Beet cmpnd @	€350 /t	= €350	}	€456
	400 kg CAN + S @	€265 /t	= €106		
Maize:	620 kg 0-7-30 @	€355 /t	= €220	}	€398
	670 kg CAN + S		= €178		
Potatoes:	1000 kg 9,10,21 + SOP	€500 /t	= €500	}	€566
	250 kg CAN		= €66		
Beans/Peas:	370 kg 0-7-30				€131
Winter OSR:	370 kg 10-10-20 @	€380 /t	= €141	}	€308
	250 kg Urea @	€350 /t	= €88		
	280 kg ASN @	€285 /t	= €80		
Spring OSR:	370 kg 13-6-20 @	€365 /t	= €135	}	€223
	330 kg CAN+S @	€265 /t	= €87		

Interest 6%: Beet, Maize, WOSR & Potatoes = 7 Months; Beans = 6 Months; SOSR & Peas = 5 Months

Forward selling

The selling price of the grain is the principal driver of profitability on tillage farms however often prices at harvest are at their lowest. Most companies now offer farmers the opportunity to sell grain at different times of the year in order to reduce the risk of selling below cost. In order to forward sell growers need to know the cost of producing the grain on the farm. The tables below are based on the variable costs in this booklet and show the cost per tonne of producing grain at different yields excluding straw. Obviously the higher the yield the lower the cost per tonne will be as generally most crops receive a similar spend on inputs.

Estimated cereal costs/tonne excl. straw

T/ha	FEED WHEAT		FEED BARLEY		MALTING BARLEY	Feed Oats	
	Winter	Spring	Winter	Spring		Winter	Spring
6.5	195	165	179	144	144	154	142
7.5	169	143	155	125	125	133	123
8	158	134	145	117	117	125	115
9	141	119	129	104	104	111	102
10	127	107	116	94	94	100	92
11	115		105				
12	106						

Costs per tonne excl. straw and protein payments

T/ha	Peas	Beans	Oilseed Rape	
			Winter	Spring
2.0	461	440	584	422
2.5	369	352	467	338
3.0	307	293	389	281
4.0	230	220	292	211
4.5	205	196	259	188
5.0	184	176	233	
5.5	168	160	212	
6.0	154	147	195	

Note: Farmers should calculate the costs per tonne over the three most recent harvests before making any decision to forward sell. This will give a more realistic figure to base the calculations on. The calculation is based on the total variable costs, including machinery costs, divided by the average yield.

2018 FORAGE CROP MARGINS

Variable Costs excl. VAT (€/Hectare)

	F. BEET	W'CROP WINTER WHEAT	KALE	RAPE	STUBBLE TURNIPS	MAIZE
MATERIALS	924	737	464	242	200	968
Seed	193	75	102	30	78	200
Fertilisers	456	375	302	212	122	398
Plastic Film	0	0	0	0	0	260
Sprays:						
Herbicides	205	56	60	0	0	110
Fungicides	30	193	0	0	0	0
Insecticides	40	23	0	0	0	0
Growth regulator		15				
HIRE MACHINERY	970	633	233	204	108	676
Seedbed Prep + sow	250	174	174	174	80	330
Spray	72	90	18	0	0	0
Fertiliser Spreading	36	54	18	18	18	36
Harvesting+COVERING	250	285	0	0	0	285
Washing and chopping	330	0	0	0	0	0
Interest 6%	32	30	23	12	10	25
TOTAL VARIABLE COSTS	1894	1370	697	446	307	1643
GREEN YIELD (Tonnes/hectare)						
Leaves(+roots) Fresh wt.	124	30	37	42	25	55
DRY MATTER (Tonnes/hectare)						
UTILISED	13.0	12.5	6.0	3.5	2.5	15.0
COST (€/Tonne utilised DM)	146	110	116	127	123	110

Forage crops should be also evaluated on energy (UFL), protein content and feeding system etc. to calculate a more complete value. Totals may not agree due to rounding.

Comment on Forage Crop Costs

The convenience of growing, storing, feeding and animal performance, are important considerations when deciding which fodder crop to grow. As well as costs per ton of dry matter, forage crops should also be evaluated on energy (UFL), protein content and feeding system to discern a more complete value.

The opportunity cost of land should be taken into account when making comparisons of fodder and bought in feed. Thus a rental charge of €400/ha may be applied for a full year in the case of grazed grass, maize and whole crop cereals but proportionally less in the case of grass silage and brassicas.

Grazed Grass continues to be the cheapest fodder at about €47/tonne DM utilised excluding a land charge. First cut grass silage costs approximately €125/tonne DM utilised while second cut grass silage costs approximately €140/t. The cost of whole crop wheat silage is approximately €110/ton DM. Recent trial work on kale in Moorepark has achieved high yields (8 -10 t DM/ha) with excellent husbandry and early (May) drilling. The same work showed how delayed drilling (start to end August) reduced fodder rape yields by 75%.

Share farming

Share Farming is an agreement between two individuals (or two businesses) to jointly manage a farming operation. This legal agreement allows both the grower and the landowner to farm as separate legal entities but share in the risks and rewards of growing crops. As both individuals remain separate business entities, they can continue to claim the EU/DAFM payments etc. in their own name as normal.

Key points:

- Share Farming is fully compliant with EU/DAFM schemes
- The agreement is not land rental or a Partnership agreement
- The output generated from the land are to reward the
 - ◆ Landowner for the land, labour and inputs supplied
 - ◆ Share farmer for labour, expertise and inputs supplied
- Both parties are separate business entities and must not open or operate joint accounts to run the farming operation
- Share farming is compatible with the Basic Payment Scheme and Greening, subject to conditions.

A template of a Share Farm Agreement is available on (www.teagasc.ie) which also displays example agreements. Contact your local advisor for more details.

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