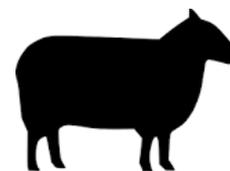


Teagasc National Farm Survey 2017

Mid-Season Lowland Lamb Enterprise



The 2017 Teagasc National Farm Survey (NFS) recorded data on 861 farms. The full financial results for these farms are now available in the Teagasc NFS 2017 Report; go to www.teagasc.ie/publications. This factsheet summarises results for farms with a mid-season lamb enterprise and only sheep farms with more than 20 ewes are included in the analysis. The data relate to 100 farms and are nationally representative of almost 9,470 farms.

1. Analysis of Financial Performance

The profit figures reported here exclude all decoupled payments and the costs relating to family labour. Following an increase in sheep margins in 2016 (+17%), a further increase occurred in 2017 with gross output increasing 11% year-on-year to €1,209 per hectare. The main drivers of this increase in margin were an increase in coupled payments and stronger prices as well as improvements in the technical performance of the average mid-season lowland enterprise. Total direct costs increased, albeit by a small magnitude of 1% on average in 2017. Overhead costs also increased over the period (2%). Overall, gross margin increased 11% in 2017 to €713 per hectare on average, whilst net margin in 2017 increased to almost 4 times the 2015 level, reaching €217 per hectare. The very good technical performance across sheep farms in 2017 is reflected in the greater physical output achieved on a per hectare basis as reported in Table 5.

Table 1: Average gross margin and net margin € per hectare in 2016/2017: Mid-Season Lamb

	2016	2017	2017/2016 % change
Coupled payments	2	50	2400
Gross Output	1,133	1,209	+7
Concentrate Costs	216	211	-2
Pasture and Forage Costs	140	140	-
Other Direct Costs	135	137	+1
Total Direct Costs	491	496	+1
Gross Margin	642	713	+11
Energy and Fuel	119	119	-
Other Fixed Costs	368	376	+2
Total Fixed Costs	487	495	+2
Net Margin	155	217	+40%

Table 2 presents the average gross and net margin on a per ewe basis for 2016 and 2017. In 2017 net margin per ewe increased, by 39% over the 2016 level, to €25 per ewe.

Table 2: Average, gross and net margin € per ewe in 2016/2017: Mid-Season Lamb

	2016	2017	2017/2016 % change
Gross Output	149	153	+3
Total Direct Costs	64	63	-2
Gross Margin	84	90	+7
Total Fixed Costs	67	64	-4
Net Margin	18	25	+39%

2. Variation in Financial Performance

Table 3 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). Due to higher stocking and weaning rates, output on the Top farms is more than twice that on the Bottom performing farms. Interestingly, expenditure per hectare on concentrate feed and other costs directly related to the sheep enterprise are broadly similar on the Top performing farms compared to the Bottom group, signalling efficiency and productivity gains on the part of the former. Pasture and forage costs are lowest for the bottom group with feed supplemented with additional concentrate feed. Gross margin per hectare is four times higher on the Top farms compared to the Bottom.

Table 3: Variation in output and profit: Top, Middle and Bottom one-thirds of Mid-Season Lamb producers 2017

	Top	Middle	Bottom
Stocking rate (Ewes per hectare)	10.05	7.51	6.79
Weaning rate (lambs per ewe)	1.46	1.40	1.29
Gross Output (€/hectare)	1,767	1,126	756
Concentrates (€/hectare)	238	162	232
Pasture and Forage (€/hectare)	177	141	96
Other Direct Costs (€/hectare)	156	144	144
Total Direct Costs (€/hectare)	571	447	472
Gross Margin (€/hectare)	1,195	679	284

The proportion of farms achieving higher gross margins per hectare increased substantially in 2017, with 42% of producers earning more than €750 per hectare. At the other end of the spectrum, there was a decline in the proportion of farms in the lowest income group.

Table 4: Distribution of gross margin € per hectare: 2016/2017

Gross Margin	% of farms 2016	% of farms 2017
<300	19	20
300-500	23	16
500-750	25	23
750-1000	15	20
>1000	17	22

Variation in Technical Performance

Table 5 presents a selection of technical performance indicators for sheep producers. Increases in the stocking rate (+5%) from 2016 to 2017 are evident. Progress in technical performance is reflected in the 3% increase in carcass output per hectare

(following on from a 12% increase achieved in the previous year). This strong growth in physical output per hectare was one of the key drivers in the output growth reported in Table 1 during 2017.

Table 5: Technical performance indicators sheep farms in 2016/2017

Teagasc Road Map Target for 2020	2016	2017	2017/2016 % change
Stocking rate (Ewes per hectare)	7.69	8.10	+5
Weaning rate (Lambs per Ewe)	1.42	1.34	-6
Lamb mortality (%)	6	7	+17
Lambs weaned (No. lambs per hectare)	11	11	-
Lamb carcass weight (kg per hectare)	217	224	+3

Information on the proportion of sheep farms attaining the Teagasc 2025 Sectoral Road Map targets for sheep production in 2017 is presented in Table 6. In contrast with the positive year on year developments in the average technical performance indicators reported in Table 5, the share of mid-season lowland lamb enterprises exceeding the Teagasc roadmap targets in 2017 declined when compared with 2016. The proportion of sheep producers reporting a lamb mortality rate of less than 8% decreased to 65% in 2017. In 2017 78% of farms reported that more than 94% of ewes lambed, this proportion was lower than that recorded in 2016. The proportion of farms weaning an average of more than 1.6 lambs per ewe in 2017 also declined, dropping from 28% in 2016 to 18% in 2017. The proportion of mid-season lowland enterprises with a stocking rate of in excess of 9 ewes per hectare also declined in 2017.

Table 6: Percentage of farms achieving selected Teagasc 2025 Sheep Road Map Targets

	2016	2017
Lamb Mortality ≤ 8%	74	65
Ewes lambed ≥ 94%	83	78
Weaning rate: > 1.6	28	18
Stocking rate > 9 Ewes per hectare	33	28

Table 7 presents data on the distribution of mid-season lowland enterprise on the basis of breeding flock size. The data illustrate the relatively small size of sheep flocks in Ireland, with sixty per cent of all flocks farming fewer than 100 ewes. This cohort is responsible for a similar proportion of the lamb produced across farms. Just 19% of farms with a mid-season lowland lamb enterprise had flocks of more than 150 ewes in 2017.

Table 7: Distribution of flock size 2017

	% of flocks	% of lamb produced
<50	19	19
50-100	41	37
100-150	21	24
>150	19	23

For further information on this publication or other Teagasc National Farm Survey Publications please contact NFS@teagasc.ie