

# Teagasc National Farm Survey 2019

## Single Suckling Enterprise Factsheet



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## Single Suckling Enterprise 2019 Average performance



### Irish Cattle Slaughter

1.908 million head (up 0.6%)



### Stocking Rate (Calf to Weanling)

average of 1.24 lu/ha (down 5%)



### Live Exports

301,565 head (up 18%)



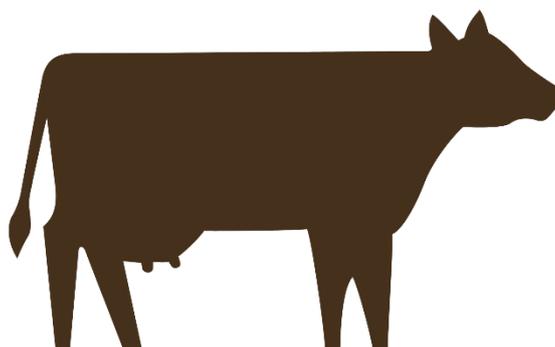
### Stocking Rate (Calf to Store)

average of 1.44 LU/ha (unchanged)



### Irish Suckler Cow Numbers

0.96 million (down 2.6%)



### Weanling sales price

average €771/head (down 5%)



### Male Store sales price

average €959/head (down 3%)



### Total Production Costs

(Single Suckling)

average €1,005 per hectare (down 1%)



### Female Store sales price

average €928/head (down 2%)



### Gross Margin

(Single Suckling)

average €430 per hectare (up 13%)



## Background

The 2019 Teagasc National Farm Survey (NFS) recorded data on **825** farms representative of over 90,000 farms nationally. In total data was recorded on over 250 single suckling farms. The performance of the single suckling enterprise in 2019 is summarised here and relates to those farms with herds of greater than 10 cows. The Single Suckling enterprise is the predominant cattle enterprise in Ireland, operated on over 31,500 farms.

### 1. Analysis of Financial Performance

The profit figures reported here exclude all decoupled payments and any costs relating to family labour. The enterprise profit figures do however include coupled direct payments and such payments have been an important contributor to enterprise gross output in 2019. Payments under the Beef Environmental Efficiency Pilot (BEEP) scheme and the Beef Exceptional Aid Measure (BEAM) scheme in 2019 led to a marginal increase in gross output on the average farm despite declining cattle prices. Gross output increased by 1% on the average single suckling enterprise in 2019 to €930 per hectare. In 2019, this increase in gross output was accompanied by a 7% decrease in direct costs, leading to a 13% increase in the average gross margin earned on a per hectare basis.

**Table 1: Average gross and net margin 2018 and 2019**

	2018 € per hectare	2019 € per hectare	2019/2018 % change
<b>Gross Output</b>	<b>920</b>	<b>930</b>	<b>1</b>
Coupled Direct Payments (BEEP & BEAM)	0	48	n.a.
Concentrate Costs	168	141	-16
Pasture and Forage Costs	255	253	-1
Other Direct Costs	117	106	-9
<b>Total Direct Costs</b>	<b>540</b>	<b>500</b>	<b>-7</b>
<b>Gross Margin</b>	<b>380</b>	<b>430</b>	<b>13</b>
Energy and Fuel	119	117	-1
Other Fixed Costs	361	388	7
Total Fixed Costs	480	506	5
<b>Net Margin</b>	<b>-101</b>	<b>-76</b>	<b>n/a</b>

Source: Teagasc National Farm Survey 2018

On average energy and fuel costs decreased by 1% year-on-year, while other fixed costs increased by 7%. Overall, in 2019 the stability in gross output was accompanied by lower total costs of production, so that the net margin per hectare increased by approximately €25 per hectare to -€76 per hectare on average in 2019.

With the modest increase in gross output on a per cow basis, and with lower costs of production per cow, gross margin per cow also increased by 15% in 2019 to an average of €504, as illustrated in Table 2. Despite higher fixed costs, the net margin per cow improved to -€101 per cow in 2019.

**Table 2: Average, gross and net margin 2018 and 2019**

	2018 € per cow	2019 € per cow	2019/2018 % change
Gross Output	1,082	1,115	3
Total Direct Costs	643	611	-5
Gross Margin	439	504	15
Total Fixed Costs	577	605	5
Net Margin	-138	-101	n/a

Source: Teagasc National Farm Survey 2019

## 2. Variation in Production System

Data for 2019 relating to the various production systems found on Irish single suckling farms (calf to weanling, calf to store and calf to finish) are presented in Table 3. Single suckling to weanling and suckling to store systems are more prevalent than calf to finishing systems. However, the latter is more profitable, as evidenced by the calf to finishing enterprises in 2019, which had the highest gross margin per hectare (see Table 3). A higher stocking rate and superior soil quality are more prevalent on suckling to finishing farms.

**Table 3: Variation in gross margin per hectare by production system 2019**

		Weanling	Store	Finishing
Farms in production system	% of Farms	35	31	21
Stocking rate	Livestock units per hectare	1.24	1.44	1.50
Farms on Very Good Soils	% of Farms	37%	45%	59%
Gross Output	€/hectare	822	895	1,043
Total Direct Costs	€/hectare	424	487	592
Gross Margin	€/hectare	398	408	451

Source: Teagasc National Farm Survey 2019

Overall 2019 was, on average, a year of falling prices for cattle of all ages. Table 4 below shows that the changes in animal sales prices between 2018 and 2019 varied across the categories of cattle sales made by single suckling farmers. The average 2% decrease in female store prices was the smallest percentage change in prices recorded in 2019. Male store sales prices decreased by an average of 3%. Sales prices for male and female finished cattle fell the most in 2019, with prices for both male and female finished cattle 6% lower than in 2018.

**Table 4: Average animal sales prices 2018 and 2019**

	2018 € per head	2019 € per head	2019/2018 % change
Weanlings	815	772	-5
Male Stores	987	959	-3
Female Stores	946	928	-2
Finished Males	1,494	1,399	-6
Finished Females	1,338	1,263	-6

Source: Teagasc National Farm Survey 2019

**Table 5: Profit per hectare for Top, Middle and Bottom one-thirds of farms in 2019**

		<b>Top</b>	<b>Middle</b>	<b>Bottom</b>
Stocking rate	LU/hectare	1.75	1.38	1.10
Farms on Very Good soils	% of Farms	62	33	39
Gross Output	€/hectare	1,309	859	625
Concentrates	€/hectare	155	122	146
Pasture and Forage	€/hectare	274	250	235
Other Direct Costs	€/hectare	138	96	86
Gross Margin	€/hectare	742	392	158

Source: Teagasc National Farm Survey 2019

### 3. Variation in Financial Performance

Table 5 summarises the 2019 Teagasc NFS results for single suckling 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 broad variation in gross output per hectare for the Irish single suckling enterprise is evident across the three groups, with gross output on the Top performing farms being €1,309 per hectare and only €625 per hectare for the Bottom performing group. The gross margin (€ per ha) earned is over 5 times higher for the Top performing group of farms as compared to the average gross margin earned by the Bottom group of farms. The variation in expenditure on feed across the three groups of farms is less marked than the variation in gross output. It is clear that a higher proportion of Top performing single suckling farms have a superior soil type than is the case for the Middle and Bottom group of farms.

The average sale and purchase prices recorded for the various animal types in the Top, Middle and Bottom single suckling enterprise are presented in Table 6. It is evident from Table 6 that the sales prices are generally higher for the Top performing group for weanling and store sales relative to the Middle and Bottom performing groups, this is not the case for sales of finished animals, where on average sales prices received by farmers in the Bottom performing group were highest. This finding underlines the importance of lower direct costs of production in driving higher profitability on average.

**Table 6: Average sale price (€ per head) for Top, Middle and Bottom one-thirds of farms 2019**

	<b>Top</b>	<b>Middle</b>	<b>Bottom</b>
		<b>€ per head</b>	
Weanlings Sales	809	760	738
Male Stores Sales	987	932	949
Female Stores Sales	969	887	939
Finished Males Sales	1,401	1,378	1,408
Finished Females Sales	1,263	1,186	1,328

Source: Teagasc National Farm Survey 2019

#### 4. Variation in Technical Performance

The proportion of Single Suckling farms attaining the Teagasc 2025 Sectoral Road Map Targets in 2018 and 2019 is set out in Table 7. There was an improvement in 2019 in the proportion of farms reaching the gross output, gross margin and net margin targets set out in the Teagasc 2025 Road Map. For instance, the proportion of farms earning a gross margin greater than €553 per hectare increased by 9 percentage points year-on-year, effectively reversing the dis-improvement in performance observed in 2018. There has also been an improvement in the proportion of farms meeting the threshold relating to concentrate usage per LU of less than 390 kg per LU. The proportion of farms meeting this target increased by 10 percentage points from 2018 to 2019.

**Table 7: Percentage of farms achieving selected Teagasc Cattle 2025 Road Map Targets**

	% of farms 2018	% of farms 2019
Gross Output per hectare > €1,106	26	30
Gross Margin per hectare > €553	20	29
Net Margin per hectare > €110	21	23
Concentrate per Livestock Unit < 390 kg	58	68

Source: Teagasc National Farm Survey 2019

Table 8 shows a decreased in the share of farms in the lower part of the gross margin distribution in 2019 relative to 2018. In 2019, there was a 5 percentage point decrease in the proportion of single suckling farms with a negative gross margin per hectare.

**Table 8: Distribution of gross margin per hectare 2018 and 2019**

Gross Margin	% of farms 2018	% of farms 2019
<€0 per hectare	8	3
€0-€150 per hectare	14	19
€150-€300 per hectare	21	24
€300-€500 per hectare	31	30
>€500 per hectare	27	33

Source: Teagasc National Farm Survey 2019

For further information on this publication or other Teagasc National Farm Survey Publications please contact [NFS@teagasc.ie](mailto:NFS@teagasc.ie)