

Teagasc National Farm Survey 2021

Single Suckling Enterprise Factsheet



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Single Suckling Enterprise 2021 Average performance



Irish Cattle Slaughter

1.792 million head (down 4.8%)



Stocking Rate (Calf to Weanling)

average of 1.16 lu/ha (down 4.9%)



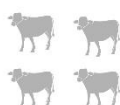
Live Exports

247,163 head (down 7%)



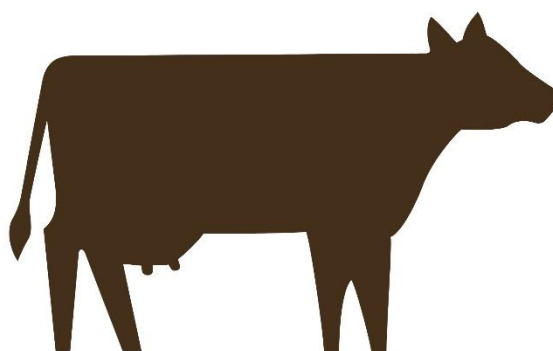
Stocking Rate (Calf to Store)

average of 1.57 LU/ha (up 8.7%)



Irish Suckler Cow Numbers

0.89 million (down 3.6%)



Weanling sales price

average €878/head (up 7.8%)



Male Store sales price

average €1,143/head (up 15.1%)



Total Production Costs

(Single Suckling)

average €1,104 per hectare (up 10.2%)



Female Store sales price

average €1,079/head (up 15.2%)



Gross Margin

(Single Suckling)

average €553 per hectare (up 19.7%)



Background

The 2021 Teagasc National Farm Survey (NFS) recorded data on 837 farms, 234 of which were single suckling farms. The performance of the single suckling enterprise in 2021 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 27,000 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. These payments have contributed importantly to enterprise gross output in 2021. Due to the rise in weanling and store cattle prices, the gross output increased (14%) on the average single suckling enterprise in 2021 to €1,115 per hectare. In 2021, this increase in gross output was partially offset by a 9% increase in direct costs, leading to a 20% increase in the average gross margin on a per hectare basis. On average, energy and fuel costs increased by 13% year-on-year and other fixed costs increased by 10%. In 2021, the increase in gross output was accompanied by higher total costs and average net margin per hectare increased significantly to €11 per hectare.

Table 1: Average gross and net margin 2020 and 2021

| | 2020 € per hectare | 2021 € per hectare | 2021/2020 % change |
|---------------------------|-----------------------|-----------------------|-----------------------|
| Gross Output | 976 | 1,115 | 14 |
| Concentrate Costs | 147 | 163 | 11 |
| Pasture and Forage Costs | 253 | 266 | 5 |
| Other Direct Costs | 114 | 133 | 17 |
| Total Direct Costs | 514 | 562 | 9 |
| Gross Margin | 462 | 553 | 20 |
| Energy and Fuel | 107 | 122 | 13 |
| Other Fixed Costs | 381 | 420 | 10 |
| Total Fixed Costs | 488 | 542 | 11 |
| Total Costs | 1,002 | 1,104 | 10 |
| Net Margin | -26 | 11 | n/a |

Source: Teagasc National Farm Survey 2021

Mainly due to the increase in gross output on a per cow basis, gross margin per cow increased by 14% in 2021 to an average of €646, as illustrated in Table 2. Despite the 11% increase in fixed costs, the net margin per cow improved to -€24 per cow in 2021.

Table 2: Average, gross and net margin 2020 and 2021

| | 2020 € per cow | 2021 € per cow | 2021/2020 % change |
|--------------------|-------------------|-------------------|-----------------------|
| Gross Output | 1,199 | 1,326 | 11 |
| Total Direct Costs | 632 | 680 | 8 |
| Gross Margin | 567 | 646 | 14 |
| Total Fixed Costs | 605 | 670 | 11 |
| Net Margin | -38 | -24 | n/a |

Source: Teagasc National Farm Survey 2021

2. Variation in Production System

Data for 2021 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 2021, 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 2021

| | Weanling | Store | Finishing |
|---|----------|-------|-----------|
| % of Farms in production system | 32 | 33 | 23 |
| Stocking rate (Livestock units per hectare) | 1.16 | 1.57 | 1.57 |
| % of Farms on Very Good Soils | 33% | 38% | 64% |
| Gross Output (€/hectare) | 854 | 1,209 | 1,297 |
| Total Direct Costs (€/hectare) | 433 | 500 | 600 |
| Gross Margin (€/hectare) | 431 | 594 | 656 |

Source: Teagasc National Farm Survey 2021

Table 4 shows that the changes in animal sales prices between 2020 and 2021 varied across the categories of cattle sales, with an average 8% increase in weanling prices being the largest percentage change. Male store sales prices increased by an average of 15% between 2020 and 2021. Female store sales prices increased by an average of 15%. Sales prices increased by 13% for male and by 9% for female finished cattle between 2020 and 2021.

Table 4: Average animal sales prices 2020 and 2021

| | 2020 € per head | 2021 € per head | 2021/2020 % change |
|------------------|--------------------|--------------------|-----------------------|
| Weanlings | 814 | 878 | 8 |
| Male Stores | 993 | 1,143 | 15 |
| Female Stores | 936 | 1,079 | 15 |
| Finished Males | 1,418 | 1,603 | 13 |
| Finished Females | 1,280 | 1,401 | 9 |

Source: Teagasc National Farm Survey 2021

3. Variation in Financial Performance

Table 5 summarises the 2021 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).

Table 5: Profit per hectare for Top, Middle and Bottom one-thirds of farms in 2021

| | Top | Middle | Bottom |
|--------------------------------|-------|--------|--------|
| Stocking rate (LU/hectare) | 1.90 | 1.28 | 1.07 |
| % of Farms on Very Good soils | 58 | 41 | 23 |
| Gross Output (€/hectare) | 1,723 | 957 | 665 |
| Concentrates (€/hectare) | 229 | 123 | 136 |
| Pasture and Forage (€/hectare) | 328 | 230 | 241 |
| Other Direct Costs (€/hectare) | 188 | 122 | 90 |
| Gross Margin (€/hectare) | 979 | 483 | 197 |

Source: Teagasc National Farm Survey 2021

Table 5 shows the broad variation in gross output per hectare on Irish single suckling across the three groups, with gross output on the Top performing farms being €1,723 per hectare and only €665 per hectare for the Bottom performing group. The gross margin (€ per ha) earned is over 4 times higher on 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 evident that a higher proportion of the Middle and Top performing single suckling farms have a superior soil type.

The average sale and purchase prices recorded for the various animal types on the Top, Middle and Bottom single suckling farms are presented in Table 6. It is evident from Table 6 that average finished sales prices are higher for the Top performing group relative to the Middle and Bottom performing groups. A similar pattern is evident in relation to weanling prices and prices for store animals.

Table 6: Average sale price (€ per head) for Top, Middle and Bottom one-thirds of farms 2021

| | Top | Middle | Bottom |
|------------------------|-------|-------------------|--------|
| | | € per head | |
| Weanlings Sales | 927 | 879 | 809 |
| Male Stores Sales | 1,203 | 1,164 | 1,047 |
| Female Stores Sales | 1,101 | 1,067 | 1,050 |
| Finished Males Sales | 1,651 | 1,571 | 1,525 |
| Finished Females Sales | 1,419 | 1,362 | 1,445 |

Source: Teagasc National Farm Survey 2021

4. Variation in Technical Performance

The proportion of single suckling farms attaining the Teagasc 2027 Sectoral Road Map Targets in 2020 and 2021 is set out in Table 7. There was some improvement over the period 2020/2021 in the proportion of farms reaching the gross output, gross margin and net margin targets set out in Teagasc's 2027 Road Map. For instance, the proportion of farms earning a net margin greater than €159 per hectare increased by 6 percentage points year-on-year. There has 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 4 percentage points between 2020 and 2021.

There are small changes to report in terms of the environmental targets set out in the Teagasc 2027 Road Map for the beef sector. The percentage of farms applying less than 80kg of fertiliser per hectare declined from 70% in 2020 to 68% in 2021. The proportion of farms using protected urea increased from 3% in 2020 to 6% in 2021. The data recording in relation to the application of LESS (Low Emissions Slurry Spreading) took place for the first time in 2021. The enterprise level data indicates that 28% of single suckling farms adopted this technique in 2021.

Table 7: Percentage of farms achieving selected Teagasc Cattle 2027 Road Map Targets

| | % of farms 2020 | % of farms 2021 |
|---|-----------------|-----------------|
| Gross Output per hectare > €1,216 | 22 | 32 |
| Gross Margin per hectare > €615 | 22 | 36 |
| Net Margin per hectare > €159 | 23 | 29 |
| Concentrate per Livestock Unit < 334 kg | 55 | 59 |
| Nitrogen Fertiliser per Hectare < 80 kg | 70 | 68 |
| Percentage applying protected urea | 3 | 6 |
| Percentage slurry applied by LESS | n/a | 28 |

Source: Teagasc National Farm Survey 2021

Table 8 shows an increase in the share of farms in the higher part of the gross margin distribution in 2021 relative to 2020. In 2021, there was a 7 percentage point increase in the proportion of single suckling farms with a gross margin per hectare exceeding €500 per hectare.

Table 8: Distribution of gross margin per hectare 2020 and 2021

| Gross Margin | % of farms 2020 | % of farms 2021 |
|----------------------------|-----------------|-----------------|
| <€0 per hectare | 4 | 1 |
| €0 to €149 per hectare | 6 | 11 |
| €150 to €299 per hectare | 21 | 11 |
| €300 to €499 per hectare | 27 | 28 |
| €500 per hectare and above | 41 | 48 |

Source: Teagasc National Farm Survey 2021

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