

DECEMBER 3RD 2024

OUTLOOK 2025

Situation and Outlook for Irish Agriculture

SHEEP

Anne Kinsella & Kevin Hanrahan



Mid-season lowland lamb enterprise

- predominant lowland sheep system in Ireland
- only farms with > 20 breeding ewes included



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REVIEW OF 2024

Situation and Outlook for Irish Agriculture





Gross Margins increase 21% in 2024



Gross Margin



21%

€831/ha

Net Margin



139%

€246/ha

Output Value



7%

HIGHER

Input Spend



8%

LOWER

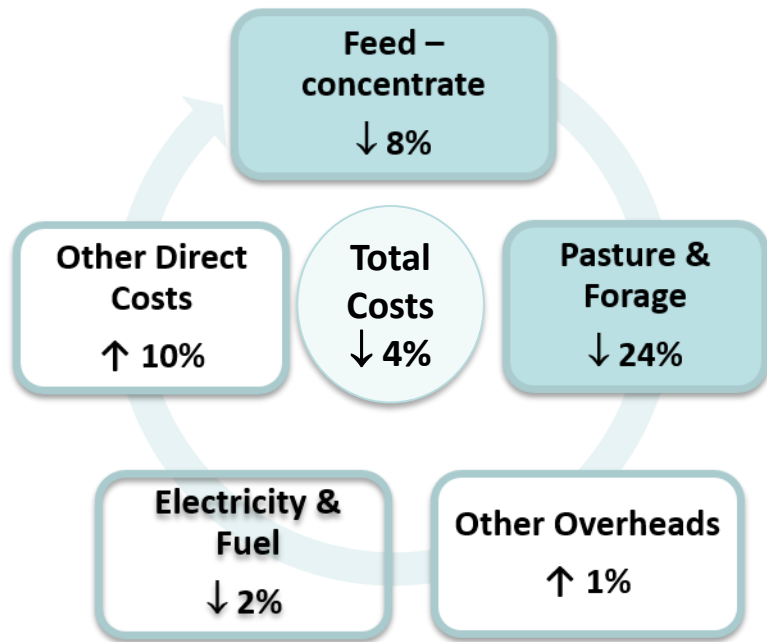
Gross Margin



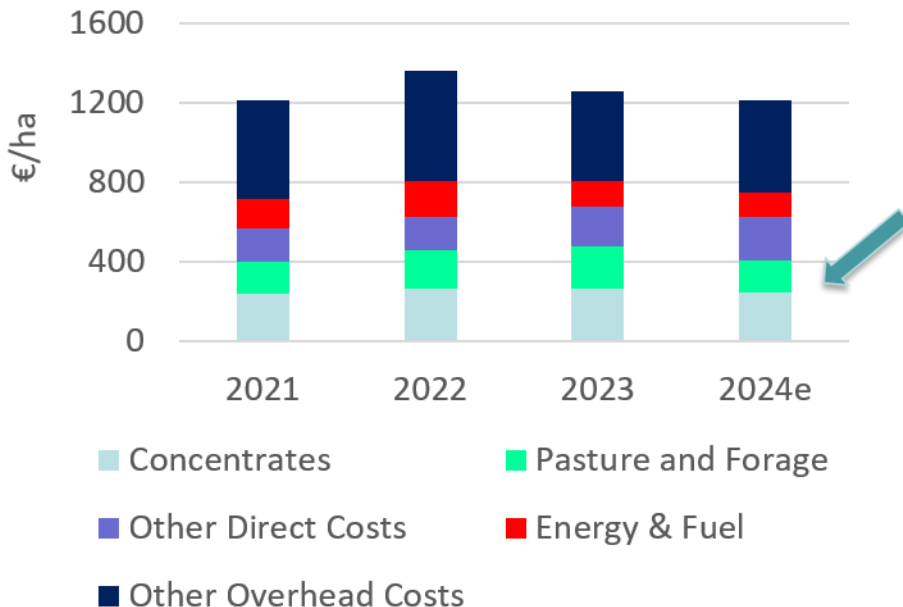
21%

HIGHER

Decline of 4% in Sheep Total Costs - 2024

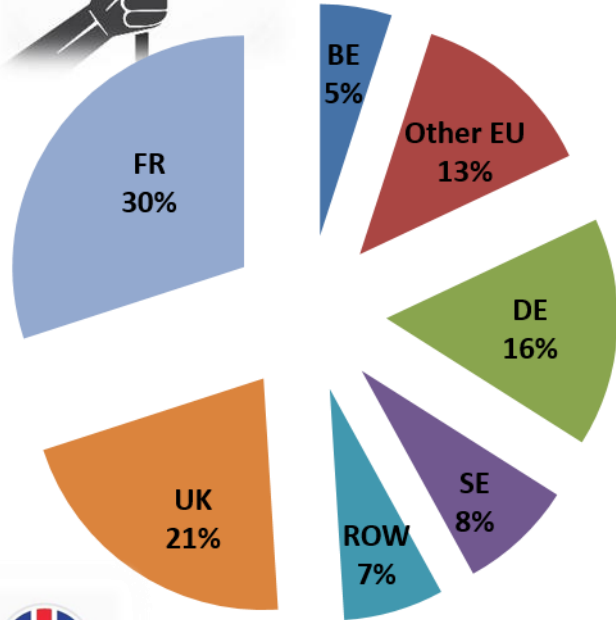


Average Sheep production costs 2021 – 2024e



2024 costs per ha

Export Markets for Irish lamb – 2024



Majority Irish sheep meat destined for foreign markets

- **↑ 3%** in 2023 > 75% exported
- Highest Proportion to France - 30%
- UK remains NB Mkt - 21% 2024 (17% 2022, 20% 2023)
- Lamb P developments Ireland's export markets – critical
- Solid fundamentals – support D Irish lamb
- Ireland's rate self-sufficiency sheep meat **↑** by 8% - 405%

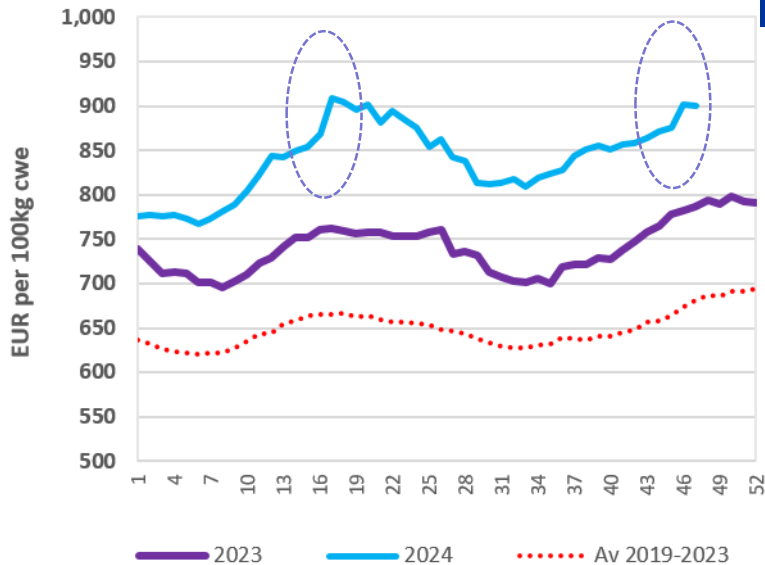


United Kingdom

Eurostat COMEXT (Volume, year to end Aug 2024), BE (incl. Lux)

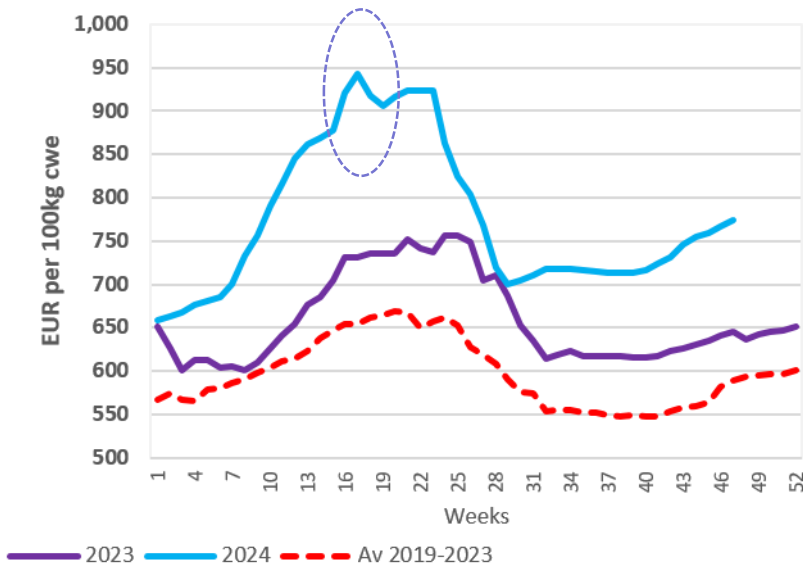
Higher Lamb Prices 2024

Evolution of Heavy Lamb prices in EU



Source: DG-Agri-G3, Meat sector

Heavy Lamb Price - Ireland

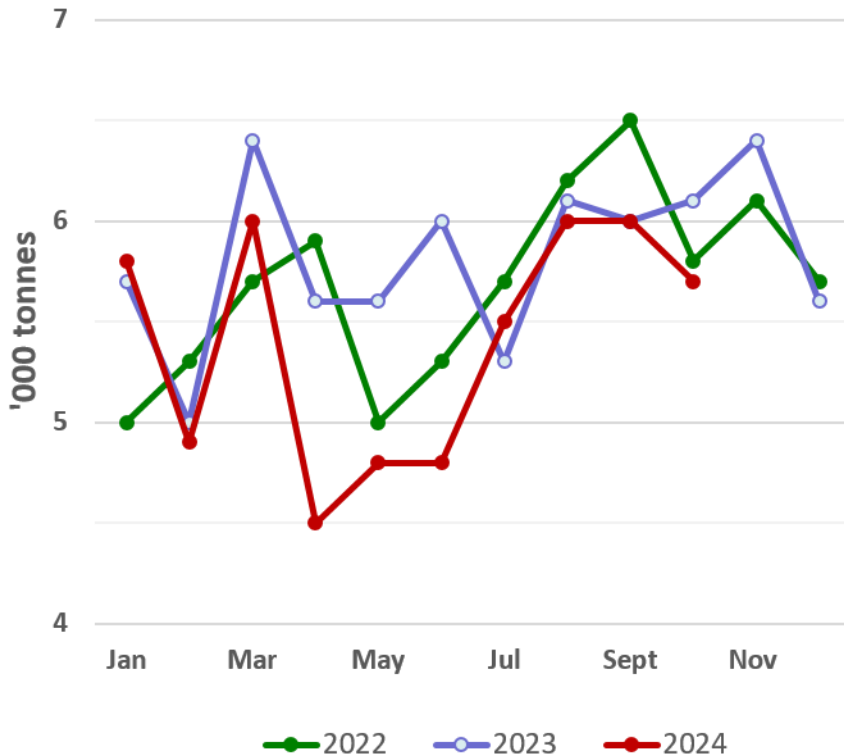


- YTD 2024 – Lamb P 17% higher
- Expectation – Av. P estimate 15% Higher

- EU Sheep meat mkt - characterised by Higher P
- Steady EU Domestic D, Lower S, Av. P – > 14% higher YTD
- Ps - Well ahead 5 Yr Av period (2019 - 2023)



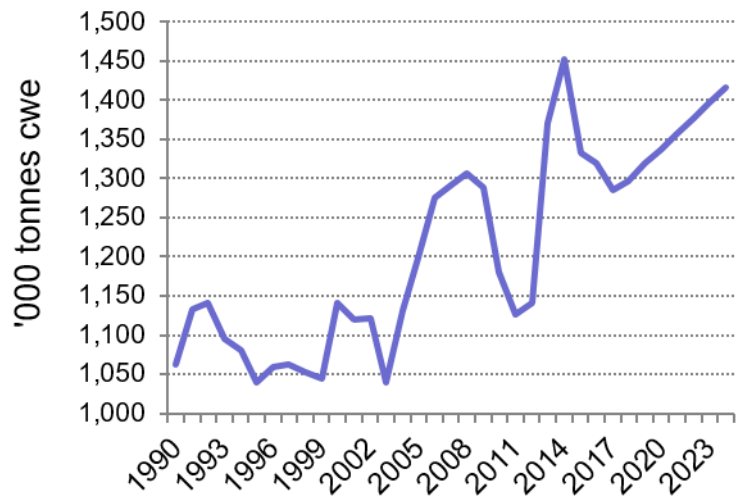
Sheep throughput* down 11%



- Slaughter '24 CSO – throughput ↓ 6%
- Over 2.45 m heads slaughtered
- Jan-Oct 2024 sheep carcass production ↓ 6% (to 54,000 tonnes)
- Number of lambs slaughtered - 12% lower* (1.14 m v 1.3 m 2023)



Growth in Global export trade



Australia



New Zealand



United Kingdom

Australia & NZ continue dominance

- largest exporters sheep/goat products globally
- UK, Australia and NZ remain principal suppliers of imports to EU market
- Strong global D for exports from Australia & NZ expected to continue in 2025
- Global **D** growth > Growth in **S**
- World P – expected remain current H levels

Source: OCED

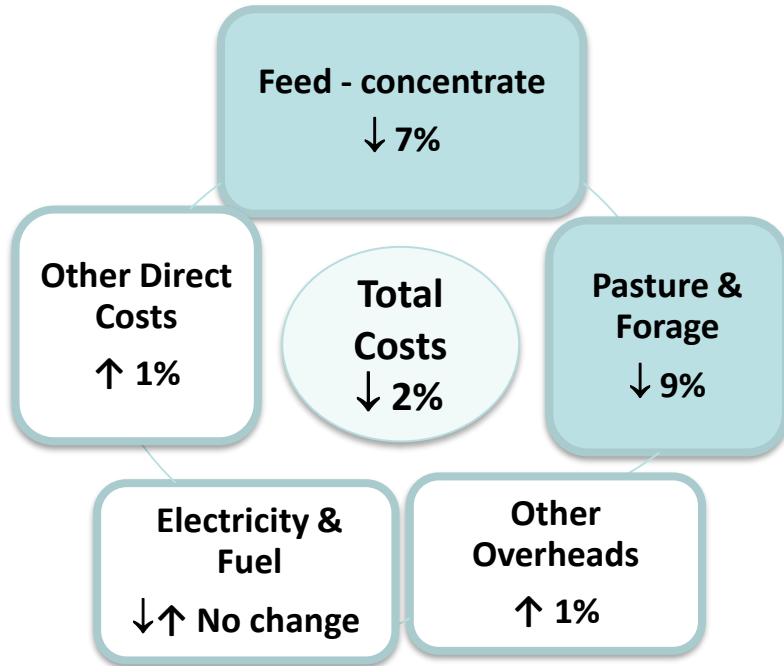
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OUTLOOK FOR 2025

Situation and Outlook for Irish Agriculture

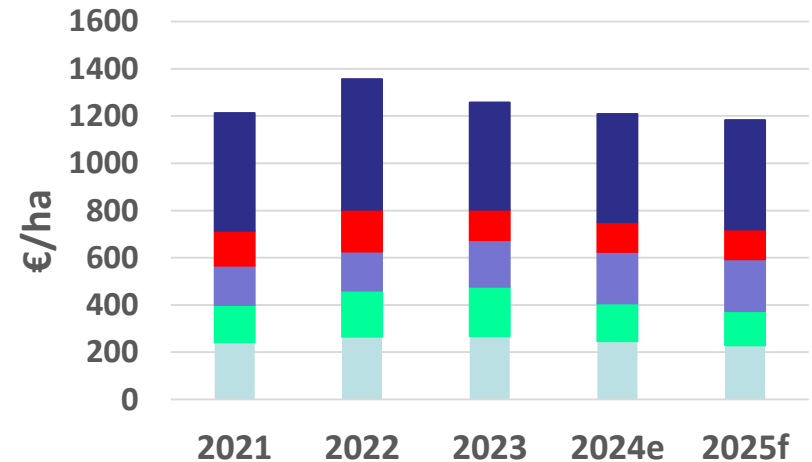


Forecast 2% decrease in Sheep Total Costs



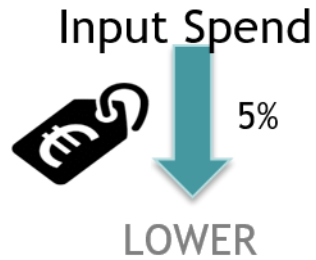
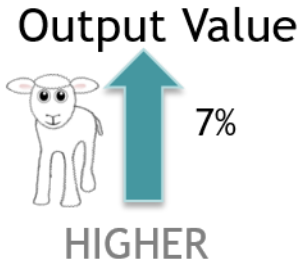
2025 costs per ha

**Average Sheep production costs
2021 – 2024e, 2025f**



- Concentrates
- Pasture and Forage
- Other Direct Costs
- Energy & Fuel
- Other Overhead Costs

Increasing Margins – 2025 Forecast



Gross Margin 16%



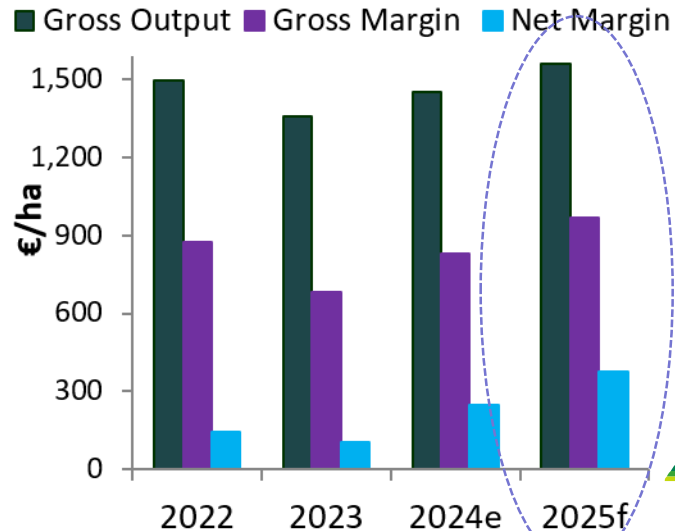
€967/ha

Net Margin



54%

€378/ha



2025 – A “Positive” Year for Sheep farmers



Relatively Stable EU
mkt situation, Tight
Supply



Lamb prices –
remain at high
levels



Feed use down 7 %
Feed prices-no change



Other direct costs
Up 1% on 2024 level



Pasture & forage costs
Down 9 %



Total Costs
2 % decline



Gross margins
on average €967/ha
Up 16 %



Net margins
forecast to increase
54% - to €378/ha



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THANK YOU



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