

‘How will Irish Agriculture Cope With the New Reality’

Burren Winterage School 2019

October 24th 2019



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economics

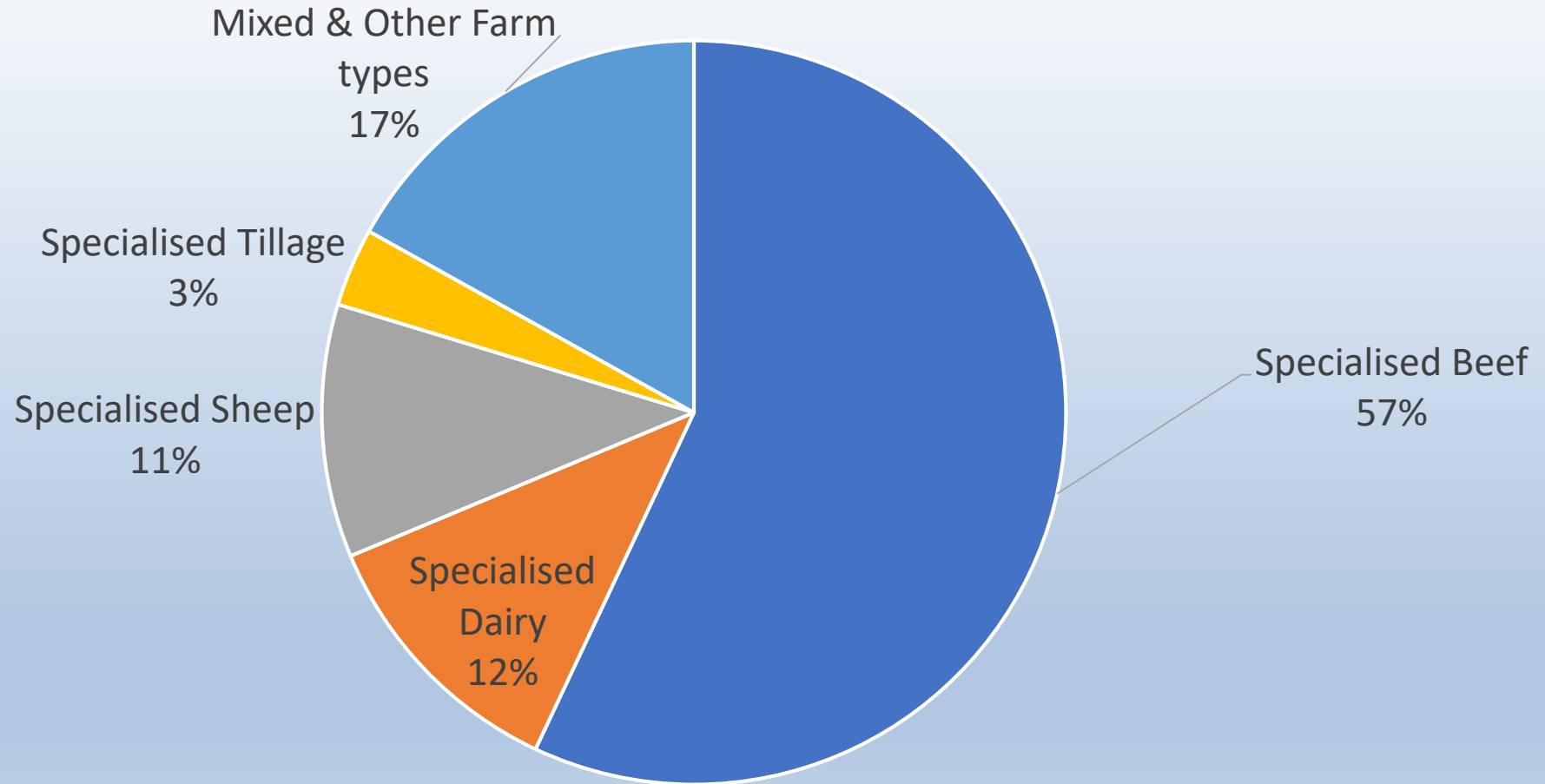
Contribution of Irish Agriculture

- 7.6% of Modified Gross National Income (GNI*)
- Agri-food exports €13.7 billion (10% of total exports)
- Exports +73% 2009-2018
- Agri-food 173,000 (7.7% total employment) > 105,300 primary production
- Vital activity in rural/regional economies

Challenges Facing Agri Sector

- Food Wise 2025 sets very ambitious targets
- CAP Reform > reduced budget + greater environmental focus
- Ageing demographic
- Dietary change
- Environment/Sustainability
- Global market forces & Mercosur
- The supply chain
- Retail concentration/ Price Compression
- Brexit & Sterling
- Efficiency in production becoming more essential for survival

Farms by Type (Source: CSO)



Farm Incomes



Average Farm Incomes (Source: Teagasc National Farm Survey 2018)

	2017	2018	% CHANGE
Dairying	€88,829	€61,446	-30.9%
Cattle Rearing	€10,642	€8,311	-21.9%
Cattle Other	€16,115	€14,560	-9.6%
Sheep	€17,357	€13,297	-23.4%
Tillage	€36,048	€40,650	+12.8%
Mixed Livestock	€60,532	€56,029	-7.6%
All farms	€29,774	€23,333	-21.6%

Average Farm Size & Family Farm Income per H/A

(Source: Teagasc National Farm Survey 2018)

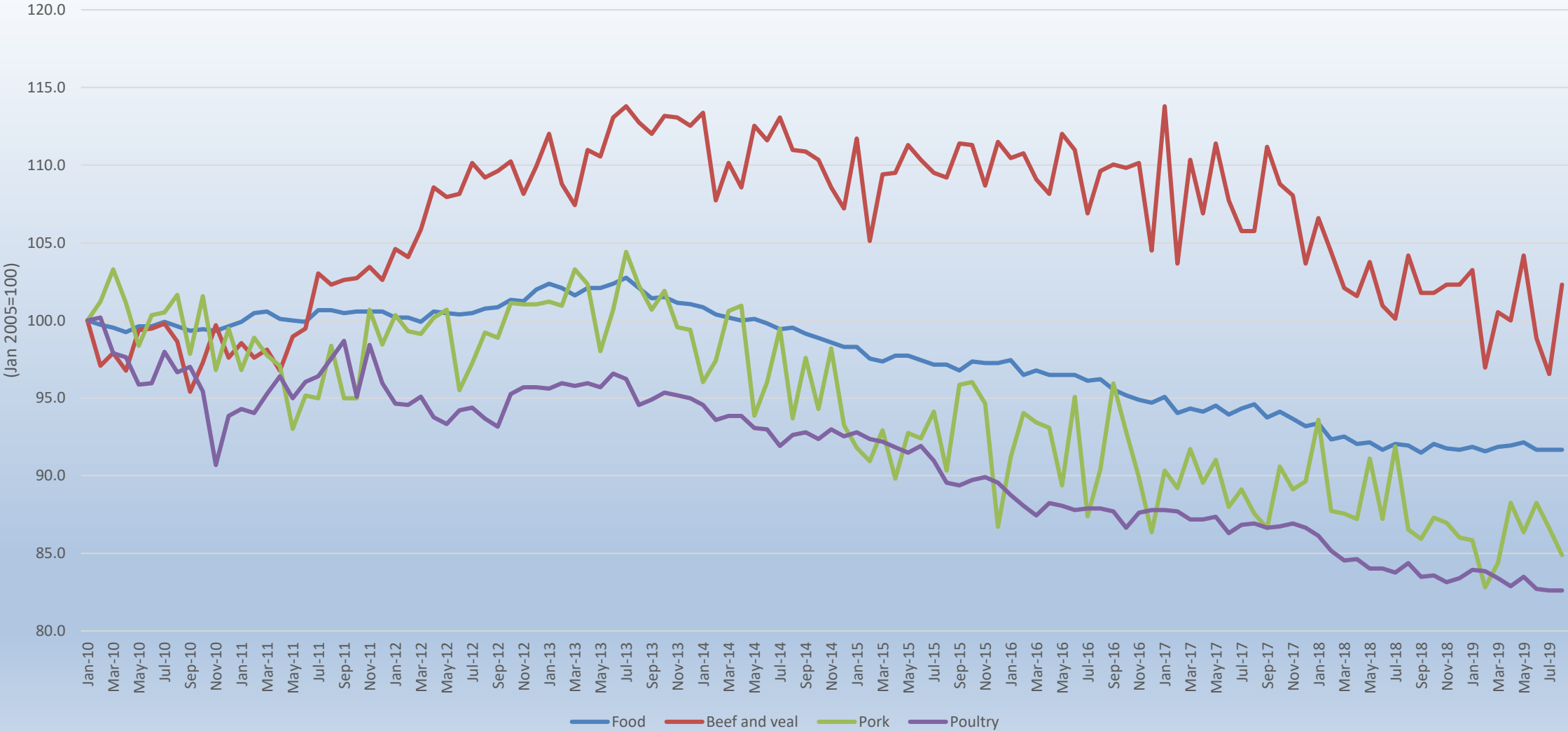
	SIZE (H/A)	INCOME PER H/A
Dairy	59	€1,047
Cattle Rearing	31	€270
Cattle Other	37	€391
Sheep	48	€276
Tillage	60	€675
All	43	€541

Contribution of Direct Payments

(Source: Teagasc National Farm survey 2018)

Enterprise	Direct Payments (€)	Contribution to Income
Dairy	21,022	34%
Cattle Rearing	13,098	158%
Cattle Other	16,226	111%
Sheep	18,980	143%
Tillage	22,451	55%
All	17,244	74%

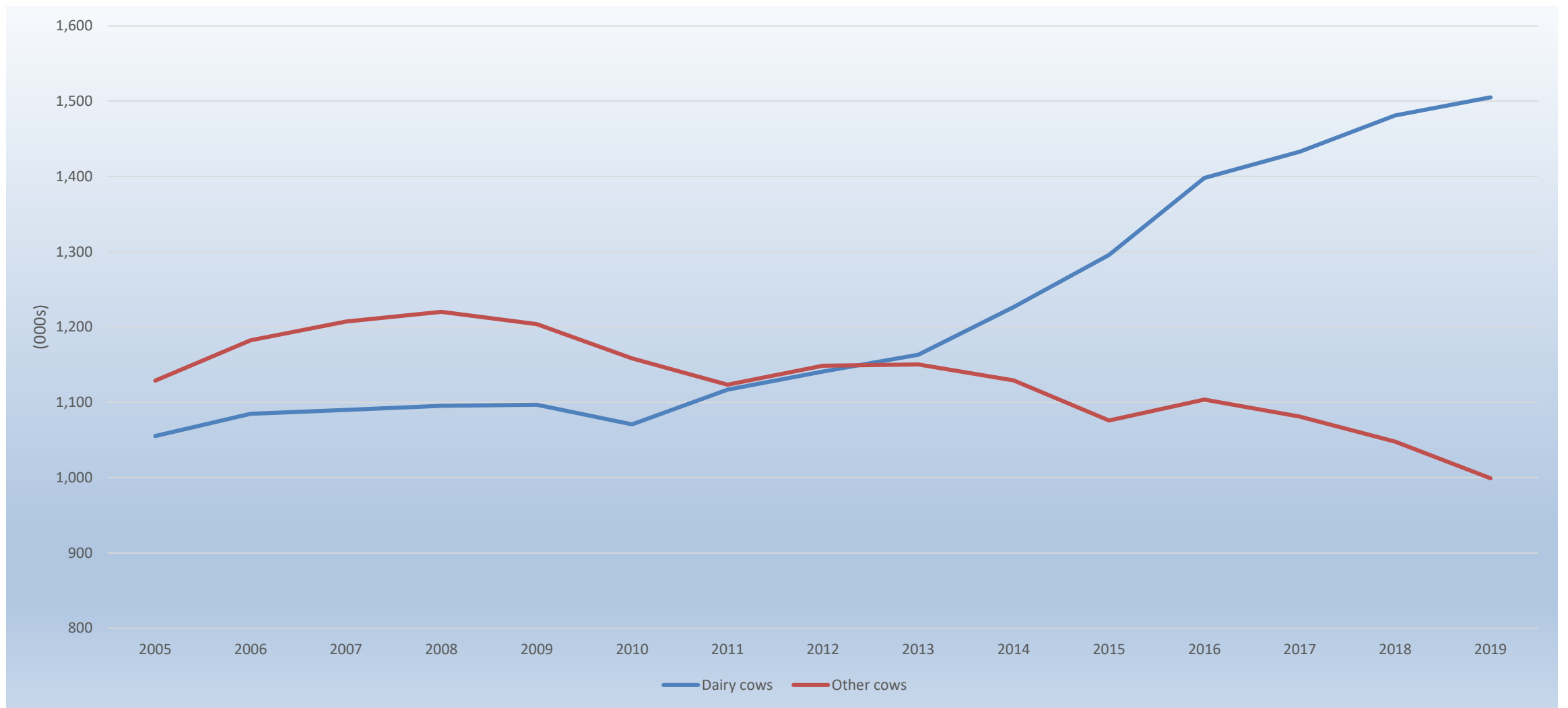
Consumer Prices



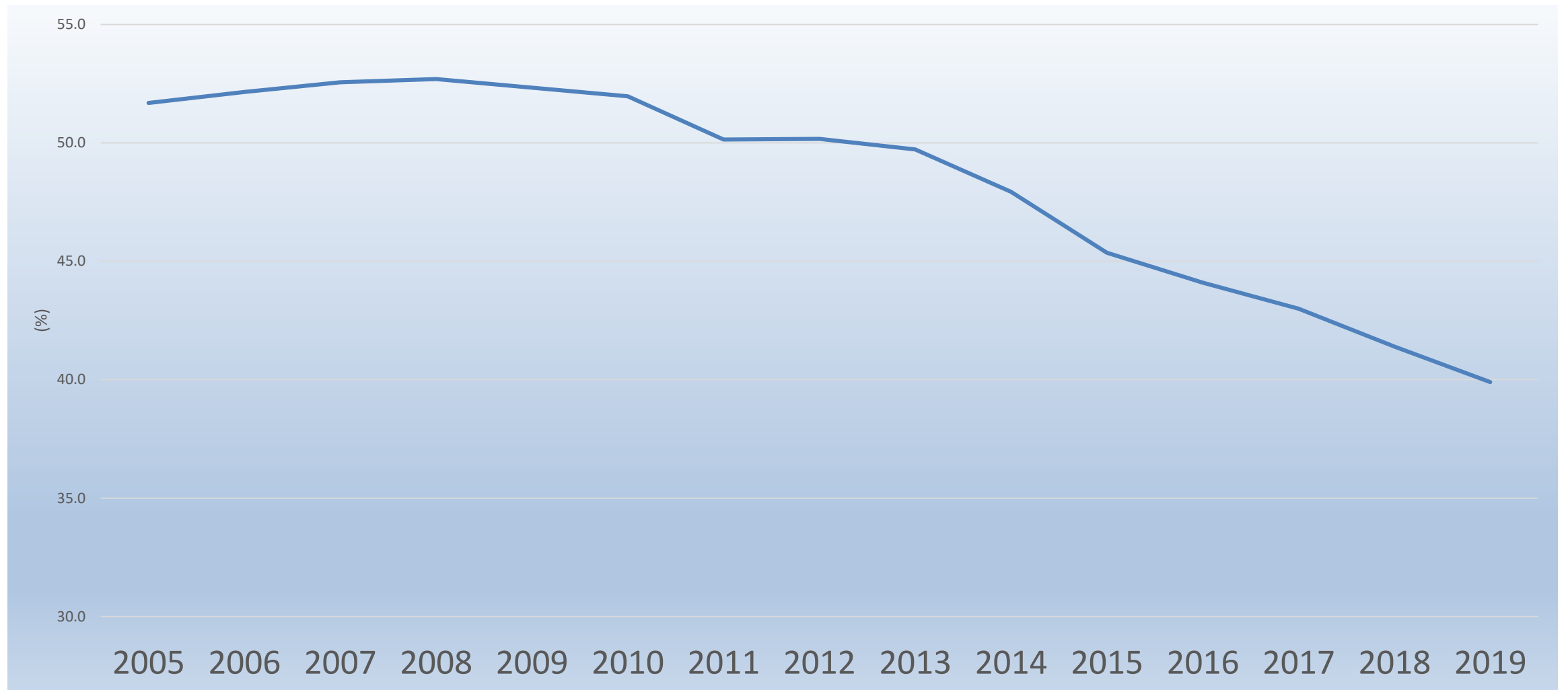
FAO Food Price Index



Structural Change



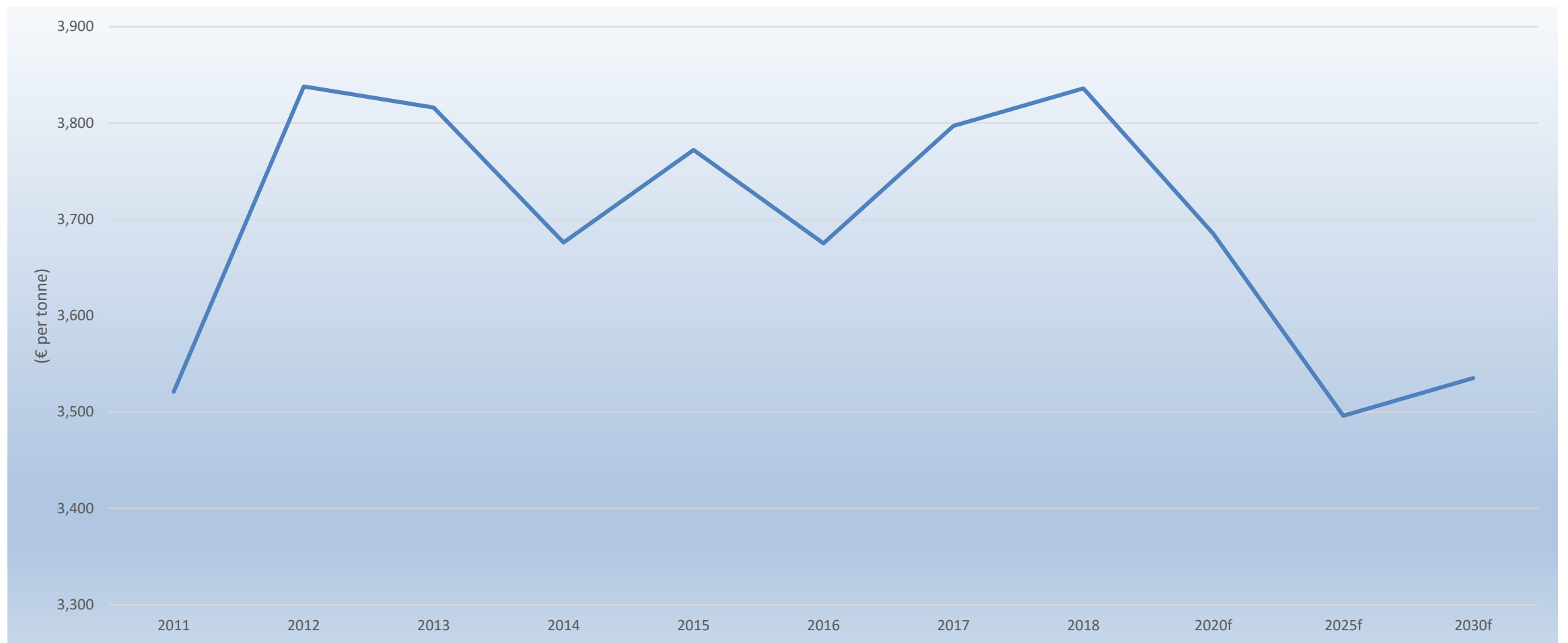
Suckler Cow Herd % Total Cow Herd



Suckler Cows by Region (Source: CSO)

Region	Suckler Cows	% Total National Suckler Cow Herd	Suckler as % Total Cow Herd
Border	173,500	16.6%	62.4%
West	238,400	22.7%	79.3%
Mid-West	170,700	16.3%	34.4%
South-East	105,700	10.1%	28.2%
South-West	124,700	11.9%	20.7%
Dublin & Mid-East	99,000	9.4%	44.0%
Midlands	135,800	13.0%	54.2%
Total	1,047,800	100.0%	41.4%

EU Beef Price Projections



The Future

- Global demand for food will increase exponentially
- Traditional farming under pressure from many sources
- Consumer preferences/retail concentration/global trade/CAP reform/climate change
- Very high dependence on beef & sheep in areas where economic activity already challenged
- Agri-food sector essential element of social & cultural fabric of rural Ireland
- Mature debate needed > does not look possible

Imperative

- Farmers are guardians of the countryside
- Having a farm cohort that is efficient, productive & as skilled as educated as possible
- At the cutting edge of science
- Strong Focus on sustainability/environment

**Thank you.
Any Questions?**



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