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IRISH FARMERS MONTHLY AGRI REVIEW 2024

INTRODUCTION

According to the Annual Review and Outlook for Agriculture, Food and the Marine 2024 published early in December by DAFM (Department of Agriculture, Food and the Marine), agri-food accounts for 9% of total goods exported and 6.4% of total employment. To summarise €18.1b worth of agri-food exports, a 26.4% increase since 2020. Our agri-food exports go to over 180 markets worldwide.

- 171,400 employed in the agri-food sector- a 3.5% increase on 2022.
- €6.4b in dairy exports, with both butter and cheese exceeding €1b.
- Almost €3 billion in beef exports, amounting to 475,600 tonnes.
- Exports of circa €550 m in sea food, 46,131 tonnes of Atlantic Mackerel landed.
- Exports of almost €2 billion in beverages, with Irish whiskey exceeding €1 billion.
- Cereal production was at 1.93 million tonnes on 6% of agricultural land.
- We had 808,848 ha (hectares) of forestry on 11.6% of total land area.
- €18.1 billion worth of agri-food exports, a 26.4% increase since 2020.
- Exporting to over 180 markets worldwide, accounting for 9% of total goods exported.
- 171,400 employed in the agri-food sector, a 3.5% increase on 2022.

Commenting on the 2024 Annual Review and Outlook, Minister McConalogue said: "The agri-food sector is our largest and most important indigenous exporting sector and plays a critical role in the environmental, societal and economic sustainability of Ireland."

The Food, Drink & Primary Production sector accounted for 40% of all export sales by Irish-owned companies. In 2023, there were over 171,000 people employed in the sector across 135,000 farms, 2,000 fishing vessels & aquaculture sites and some 2,000-food production and beverage enterprises.

The Irish agri-food sector is globally orientated, with approx. 90% of Irish beef, sheep meat and dairy produce exported annually. Britain remains our largest trading partner with 38% or €6.8 billion of agri-food products exports in 2023. EU countries accounted for 34% at €6.2 billion, while the rest of the world accounted for 28% at €5.1b. The United States was our second largest export destination, and The Netherlands remained our third largest agri-food destination, with exports totalling almost €1.6 b for each destination.

2024 was a tough year for most farmers due to poor weather conditions for livestock enterprises and tillage operations. According to Met Eireann rainfall data the spring of 2024, was the 6th wettest on record, with 124% of its 1981-2010 average. Tillage farming in 2024 was challenging on all fronts. Weather conditions for planting winter cereal crops in the autumn of 2023 was poor and as a result, many farmers were forced to switch to spring crops in 2024, which have lower yields.

In the grassland systems, the grazing season was probably six weeks later than normal. Teagasc estimate that grass growth for the first 10 months of 2024 was reduced by around 10% which impacted milk yields and liveweight gain in cattle and lambs. Total grass growth, recorded on PastureBase Ireland, was reduced by 1.2 tonnes DM per hectare (ha) up to 3rd July 2024.

The drop in production was a serious issue for milk processors, who have heavily invested in expanding processing capacity. For the first half of 2024, domestic milk intake fell by 242.6 m litres (-5.3%) compared with the same period in 2023.The decrease is even more pronounced when compared to the first half of 2022, with a drop of 6.1%. The slump in milk production earlier in the year has cost the rural economy an estimated €370m according to Dairy Industry Ireland director Conor Mulvihill. The other problem is that with a reduced milk supply milk processing costs have increased thereby reducing the Coops ability to pay the optimum milk price.

It took longer to finish cattle and lambs while animal slaughter weights were also reduced. Indeed, the average steer and heifer carcass weights in the first three quarters of 2024 fell by 6.5kg and 6.2kg respectively. More dairy and dry stock farms than usual have reported winter feed shortages, potentially leading to a greater risk of feed problems next spring.

Farmers had to purchase around 20% more animal feed and feed some supplementary silage during the grazing season. According to Teagasc dairy farmers have been hit with additional feed costs of up to €2,500 based on a 130-cow herd because of the late spring and ongoing poor weather conditions.

According to Dr. Joe Patton of Teagasc problems, caused by the weather are increasing costs and reducing profitability from milk production. Persistently wet weather earlier in the year was potentially costing the dairy sector a combined €30m nationally every week.

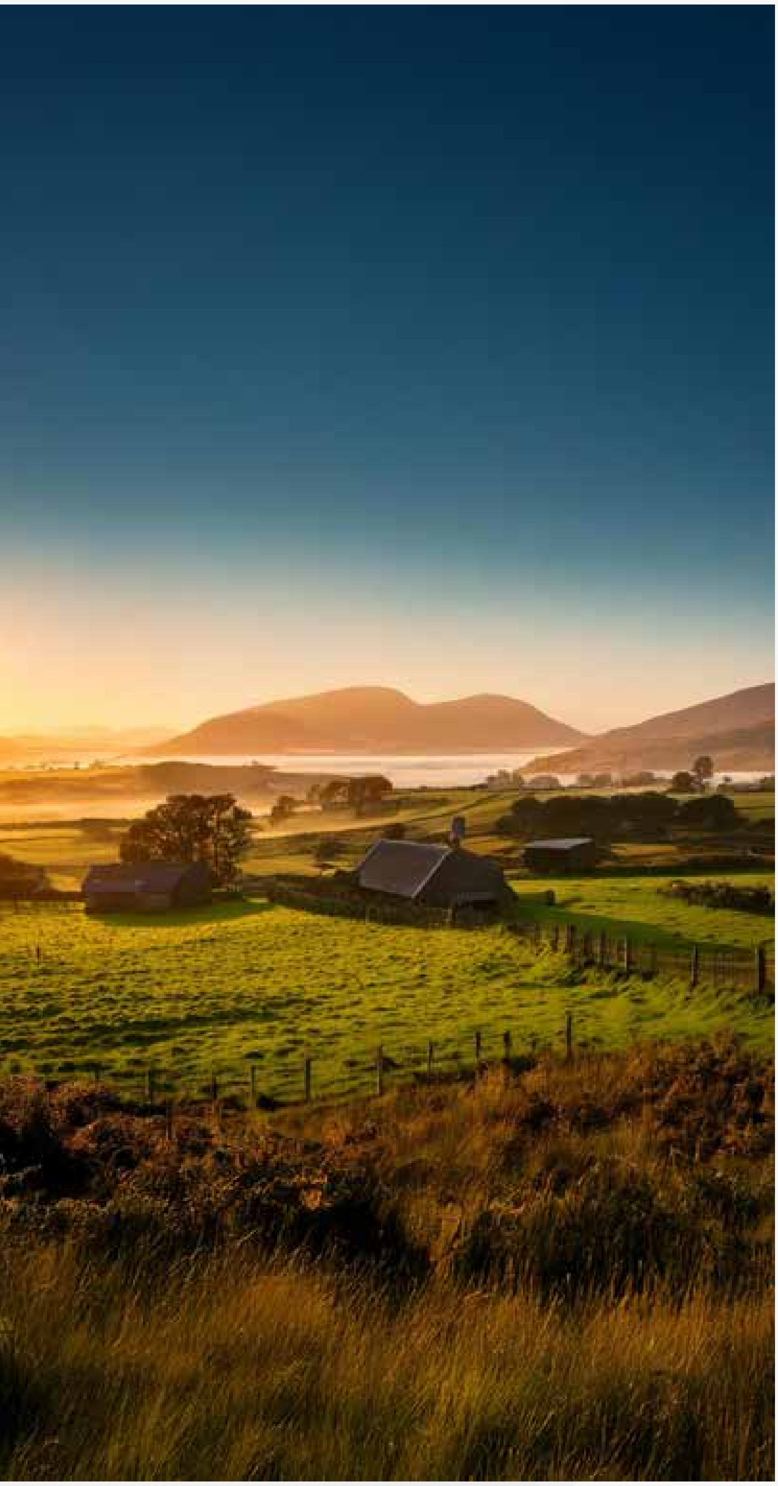
Fortunately, we have had excellent weather conditions for September and October unlike the autumn of 2023, so grass growth has recovered. Improved milk prices during the second half of 2024 has also improved incomes for milk producers.

Stronger milk prices and good weather have seen many dairy farmers drive on milk production as average milk prices this autumn breaks 60c/litre. The price of butter has broken the record it set just two months ago and in November it reached €8,165/t in Europe so great news indeed for Ireland with our Kerrygold butter sales at €1.6b for 2023. Dairy feed sales are also up significantly on last year, with some compound mills recording a sales boost as high as 20% on 2023.

Pat Ryan of Liffey Mills said "I estimate that our dairy feed sales are up around 20% compared to last year. Since July, we have seen an increase in particular and feed sales have remained very strong. We have been operating at winter tonnage for the last four months, with dairy sales being the main driver, on the back of current milk prices."

According to Noel Murphy, Chairperson of ICMSA Dairy Committee "it is attractive for farmers to milk on in November — 2024 is one of those years where you can milk on because of milk price and that extra grass growth in September and October which we did not get in the summer. We would expect early 2025, to be positive from a market perspective as there is good demand for milk."

Cattle farmers and lamb producers have also had a good year as regards livestock prices. Spring cereal crop yields were better than expected, harvesting conditions were good and straw prices were strong. Average yields for malting barley have been around 3t/ac, with grain quality good so this is one crop growers are happy with. In addition, towards the year end most farmers will receive significant and substantial payments from various EU schemes.



SUBSTANTIAL AGRI BUDGET FOR FARMERS

The 2024 Govt. budget for the Dept. of Agriculture, Food and the Marine (DAFM) was €1.9b. A number of measures also received additional funding for 2024. These included the Agri-Climate Rural Environment Scheme (ACRES) which will receive €200 m and bovine TB testing which was allocated €56m.

This budget allocation "expands" the roll out of the Common Agricultural Policy (CAP) with more than €700m provided for farmers who participate in environment schemes such as ACRES, Areas of Natural Constraint (ANC) forestry and organic farming.

In addition, DAFM will also administer €1.2 billion of EU funding in 2025, chiefly for Basic Income Support for Sustainability (BISS) payments to farmers. The majority of DAFM's budget – €968.1m – is earmarked for its farm sector supports which primarily revolves around CAP related schemes.

A further €420.5m was allocated to DAFM's policy and strategy programme which will fund key Bord Bia operations, provide funding for public sector research and innovation and the new Agri-food regulator.

DAFM's food safety, animal and plant health and animal welfare programme received funding of €376.5 m in 2024.The seafood sector programme was allocated €176.9m. The total budget allocation of €1,942 m includes a core current allocation of €1,587m and the National Development Plan core capital allocation of €287m.

SUSTAINABILITY OF IRISH FARM ENTERPRISES

Over 50c in every €1 of Irish farm income comes from EU payments. The average direct payment received per farm in 2023 totalled €19,628 according to a Teagasc report last July. The most recent Teagasc farm sustainability report was on the year 2023. Having achieved high levels of economic performance in 2022, the average dairy and tillage farm reported a substantially lower level of economic performance (income per hectare) and labour unit, and economic viability) in 2023. However, dairy and tillage farm systems still outperformed the dry stock farm systems in economic terms in 2023.

Measured on a whole farm or per hectare (ha) basis, it is notable, that greenhouse gas (GHG) emissions declined on the average dairy farm in 2023, compared to preceding years, on the back of reduced chemical nitrogen (N) fertiliser use and slightly lower stocking rates. Dairy farms also had the lowest N surplus per ha in 2023 relative to any year since the report was first published and this has a positive implication in limiting the impact of dairy production on water quality.

The report also illustrates the continuing adoption of actions to address environmental emissions. For example, in 2023, 38% of slurry on cattle farms and 81% on dairy farms was spread using Low Emissions Slurry Spreading (LESS) equipment. Further progress was also made in increasing the use of lower emissions chemical fertilisers, with 27% of the N applied on dairy farms as protected urea.

Dairy farms were the most economically viable (52%), followed by tillage systems (34%). Cattle and sheep farms are most at risk financially, with only 14% of sheep farms and 23% of cattle farms classed as economically viable in2023.

On average, dairy farms derived 91% of gross output directly from the market. In all, 22% of dairy farm households fell into the vulnerable household category (economically non-viable farm business and no off-farm employment). Overall, 87% of dairy farmers had received some agri education. Across all dairy farms, 19% had a high age profile. Only 7% of dairy farmers live alone and at risk of isolation.

Better economic performance was more prevalent among discussion group members. Membership was higher across the top economic performing group, at 73%, compared to 25% in the bottom cohort. A higher percentage of farmers in the top group (54%) engaged in reseeding of grassland compared to the bottom group (19%).

Market based output accounted for 68% of gross output across all cattle farms, with the remaining 32% accounted for by direct payment receipts from EU schemes. A total of 54% of cattle farmers had some level of agri education. Overall, 32% of all cattle farm households were considered vulnerable and 16% of cattle farm operators were classified at risk of isolation. Additionally, 40% of cattle farms were classified as having a high age profile.

For the average sheep farm, approx. 59% of output was generated from the market, with 41% derived from direct Govt. payments. Over 38% of all sheep farm households were considered vulnerable. On average, 24% of all specialist sheep farms were classified as being at risk of isolation. Overall, 69% of sheep farmers had received some agri education. The proportion of sheep farms with a high age profile was 39%.

On average tillage farms generated 75% of their output value from the market. 71% of tillage farmers had received some agri education or training. On average, 25% of tillage farm households were considered economically vulnerable & 17% of tillage farms were at risk of isolation. An average of 25% of tillage farms had a high age profile.

NITRATES DEROGATION ISSUES

Aside from meeting EU environmental concerns changes to the Nitrates derogation is the number one issue for most dairy & tillage farmers. The big change in 2004 was the introduction of stocking rate limits on all farms. Farmers from then on had to farm within a stocking density of 170kgs of organic nitrogen (N) per hectare (ha). Ireland's nitrates derogation allows farmers to farm at higher stocking rates, above 170 kg livestock manure N/ha up to 250 kg N/ha, across the entire land declared on BPS.

The big question now is, will Ireland retain this derogation after 2027. Or will the derogation be removed entirely? If so, this will have huge implications for intensive farmers across the country. In this scenario, for these farmers to maintain current livestock numbers they'd have to increase the land farmed by 50%. In other words, the farmer with 100 acres would now require 150 acres so they are competing with tillage farmers for this extra lands.

There will be increased demand from these farmers for additional lands. Therefore, changes in 2024 and possible changes after 2027 will affect the beef, sheep and tillage farmers already operating in the land rental market. According to the IFA "removal of the N derogation entirely could reduce dairy income for the impacted farmers by an average of up to €23,000 pa".

However, the uptake of ammonia emissions mitigating technology is set to bring farming within its 2025 target, as set out by the National Emission reduction Commitments Directive (NECD).

The required additional measures includes: a reduction in crude protein content of concentrates fed to pigs and cattle, cattle and pig slurry amendments, covering of slurry stores, drying of poultry manure, reduced slaughter age for cattle, reduced age of beef cows at first calving, replacement of calcium ammonium nitrate (CAN) and CAN based compounds with inhibited urea products and target a reduced N fertiliser application of 300,00 t in 2030, and a limit on straight urea sales to 20,000t pa from 2025.

20% more slurry storage is needed on dairy farms to help meet water quality targets, and this additional requirement is likely to be incorporated into the next Nitrates Action Programme post-2025. The figure comes from preliminary results from Teagasc's National Slurry Storage Monitoring Programme. Current regulations require that 0.33m^3 of slurry storage per cow per week but the findings from 100 dairy farms across the country indicate that up to 0.41m^3 per cow per week is needed.

Patrick Gowing from Teagasc has outlined the potential cost of investing in slurry storage for 200 cows for 20 weeks. Gowing said that if you look at the cost of additional slurry storage, the upfront capital cost is €800 per cow excluding value added tax (VAT) and any potential grant. While this is a significant cost, if you average the cost over a 20-year lifespan of the tank, it will cost €20 per year.

IMPROVED FUTURE PROSPECTS FOR TILLAGE FARMERS

According to Teagasc and based on a forecast of tight international stock to use ratios for cereals in 2025, Irish cereal prices are forecast to increase very slightly relative to harvest 2024. Overall, costs on cereal farms look set to be on a par with 2024. The average income on a tillage farm in 2024 is estimated to be approx. €30,000, an increase of 40% relative to 2023.

With normal yields forecast, and a slight increase in prices, margins for all crops in 2025 will increase on the 2024 levels. Factoring in stable production costs in 2025, the average tillage income is forecast to increase by 40% to €42,000.

There was a small decrease of 9,500ha (3.5%) in the 2024 cereal area. Winter oilseed rape declined by 30% in 2024 and spring bean area increased to a record 17,600ha. Oats increased by 9.4% to 29,800. Average yield for spring oats was 7.7 t/ha which is above the 5-year average. The decline in winter cereal crops area was due to intense rainfall and saturated ground in October. Spring 2024 was the 6th wettest on record. Rainfall in February, March and April was well above average.

Despite these adverse weather conditions, the spring barley area increased to 133,400ha (12,500 ha > 5 year average). Grain yield in spring barley was above expectations at around 7.32 t/ha which was largely due to cooler than normal temperatures during the growing season, particularly in June. The area of spring wheat increased to 7,100 ha in 2024, an increase of 2,500 on 2023. Average yield for the crop was 7.5t /ha which is 0.5t/ha below the 5-year average.

The cool summer also favoured spring beans. Despite very late planting the average yield was 5.2 t/ha which is only 0.5 t/ha below the 5-year average. Straw yield was below average, but this was compensated for by a significant increase in price due to increased demand.

However, the total cereal production for 2024 was estimated by Teagasc to be 1.9mt which is similar to 2023 and 0.3mt below the 5 year average of 2.2mt. Overall cereal grain quality was good. Most malting barley reached the required specification, and the level of rejections was low.

In contrast to the previous autumns, conditions for planting this season have been excellent resulting in a significant increase in the area of winter cereals (+27,000 ha) and oilseed rape.

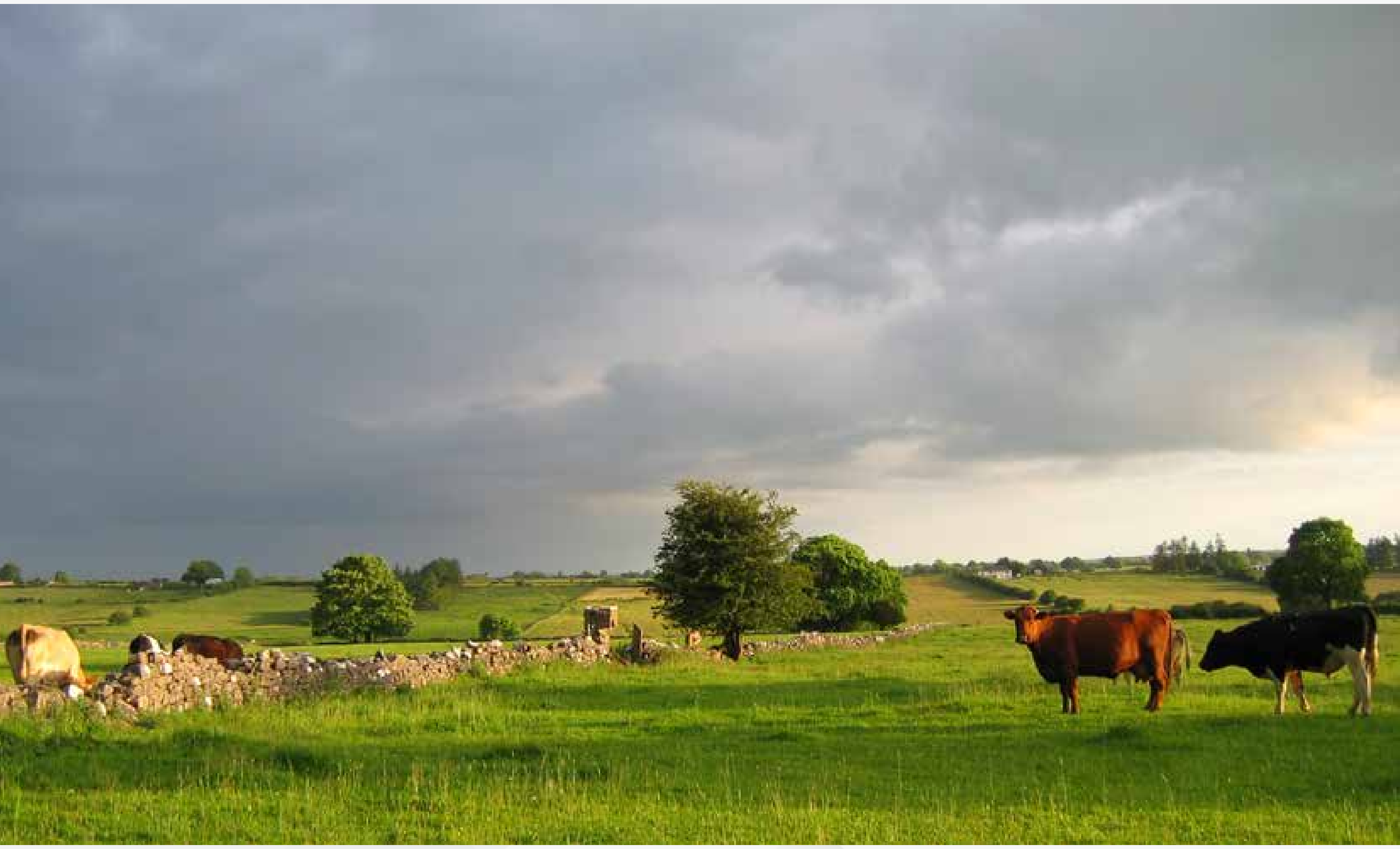
The Irish tillage sector is a vital part of Irish agriculture, comprising 9,401 farms producing cereal crops, with 4,600 of these operating as specialist tillage units. In 2020, the tillage sector was estimated to contribute over €1.3bn per annum to Irish economic output.

Teagasc National Farm Survey data consistently shows that tillage farming is the second most profitable enterprise on Irish farms behind dairy farming. The 2023 Climate Action Plan sets out an ambition to increase the area under tillage to 400,000 ha by 2030.

As we import a substantial tonnage of cereals from Britain and Northern Ireland there is lots of room for increasing our area of cereals. For example, in 2023 we imported over 86,000 tonnes of wheat and over 185,000 tonnes of barley from Britain. From Northern Ireland we imported around 34,000 tonnes of wheat and over 25,000 tonnes of barley in 2023.

To increase milk yields per cow and to finish cattle earlier, livestock need more feed, so this is an opportunity for tillage farmers to supply more home grown feed via direct farm to farm sales particular to customers using a TMR system. These livestock farmers are in the market for barley, straw, forage maize, fodder beet, beans etc.

A recently conducted Life Cycle Assessment (LCA) methodology specifically developed for Irish grain on a wide range of commercially grown Irish cereals has confirmed that Irish crops are among the most carbon efficient in the world. For Irish oats, this was at 207kg CO_2/t compared with 1,000kg CO_2/t for countries like Italy and Spain. Indeed, new Teagasc research on the Tirlán grain pool shows the carbon footprint is lower than many international grain growing regions



Pig production is one of the main users of Irish cereals and the pig manure resulting from this feed can be an important nutrient source for tillage crops. Winter rye has several advantages for a tillage farmer as it gives growers the option of lengthening the rotation before returning to a break crop.

Production costs of winter rye are comparable to those of winter barley, but output is higher due to higher grain and straw yields. Recent research on using rye in pig finisher diets in Ireland carried out by Teagasc, concluded that growth rates were excellent, and that rye can be considered a safe ingredient for use in finisher pig diets. The forecast value of rye in the diet is 94% of the value of wheat.

In 2024, there were 2,720 ha of rye grown, an increase of nearly 1,000 ha compared to 2023. With an average yield of 10t/ha there is a potential of ~25,000 tonnes available in 2024. There is a growing interest among tillage farmers in rye as it is considered reasonably easy to grow, suffers from less disease and has a lower N requirement.

Ireland is recognised as the country with the highest yield potential in the world for oats, at an average yield of 7.1tonnes per ha. Oats are a hardy cereal grain able to withstand poor soil conditions in which other crops are unable to thrive. Oats, in Ireland, are grown primarily for the horse feed and milling industries.

In recent years, there has been growing interest from the gluten-free and health food sectors for oats. This is due to the many health benefits that have been attributed to oats and oat products including lowering blood pressure. According to Tirlán the economic returns for growers compare very favourably with traditional crops like winter wheat and malting barley.

Products that can be produced from oats include: Porridge, Flapjacks, protein powder, fat replacer, oat milk, oat oil, yoghurt drinks, beta-glucans, furfural, and animal feed.

BEVERAGE INDUSTRY IS BOOMING

According to Jonathan Roberts, a procurement manager in Boortmalt, "the growth in the drinks industry is continuing and our customers are delighted with the quality of Irish barley". 300,000 tonnes of malting barley are produced to supply the Irish drinks sector annually.

Drinks company Diageo is set to go ahead and build a new €200 m purpose-built brewery in Newbridge. The new facility will be Diageo's second largest brewing operation in Ireland after St James's Gate. The Boortmalt malting facility in Athy, which processes malting barley produced by Irish farmers, is a major supplier to Diageo.

Ireland is the home of whiskey, but with a chequered history. In 2010, there were only four distilleries in operation, while sales were under five million cases. By the end of 2020, the number of operational Irish whiskey distilleries had increased to 38. From the largest investments in Midleton and Tullamore to other towns and villages throughout Ireland.

Irish whiskey is now being sold in 140 markets globally & the aggregate value of Irish whiskey exports from the island of Ireland reached €890m in 2019. By January 2020, sales total for Irish whiskey exceeded 12 million cases (144m bottles) per annum. The Irish Drinks industry is at the heart of the experience economy, with visitor centres welcoming 2.4m visitors a year.

Brewing production currently stands at over 8 million hectolitres, and approx. half the alcohol consumed is beer. The number of beer breweries active in Ireland increased from 26 in 2008 to 80 active beer breweries in 2022. Between 2017 and 2022, craft beer production in Ireland increased by an impressive 30%. According to the Craft Beer and Cider Report 2023 there was also an increase in market share of the independent microbreweries that are currently in operation. Exports account for over 19% of production. Irish craft beer is gaining traction in international markets, with France, Italy, and Britain showing particular potential.

REDUCED FARM MACHINERY SALES

2024 was a tough year for tillage farmers and poor milk prices early in the year also impacted new farm machinery sales. The latest Revenue report for November 2024 shows that here were 2,127 new tractors registered for year-to-date (ytd), a 12 % decline compared 2,425 for 2023.For November 2024 ytd, 2,371 used tractors were imported and registered, compared with 2,723 for 2023 a 13 % decline.

Cork has the highest number of new tractors. Tipperary is second followed by Wexford. The most popular power band was the 141 to 160 horsepower (hp) category, which according to the FTMTA for September accounted for 23.38% of all new registrations. Tractors lower than 100hp accounted for almost 13% of all new registrations. The over 200 hp category now accounts for almost 12% of all new tractors. The monthly average tractor hp for September 2024 was higher at 142 hp and the largest tractor registered was at 415 hp.

According to the Agricultural Engineers Association (AEA) data for Northern Ireland (NI) 400 tractors were sold for Ytd which was only 3% down on the previous year. Of course, the number of tractor units sold is only part of the picture as the relevant data is the total HP sold. As the average tractor HP increases the no. of new tractors sold has to fall.

According to Revenue, 38 new combine harvesters were registered in 2024 compared to 62 new combines in 2023 -the highest number since 2013 when 65 new machines were sold. 32 used combines were registered in 2024 compared to 52 in 2023. Up to the end of July, 20 of the new combines were Claas, five were John Deere and five New Holland. Of the used combines registered to end of August 2024, 11 were New Holland and 5 were Claas.

A total of 32 new self-propelled silage harvesters have been registered during the first five months of 2024, 18% behind 2023 when 38 new machines were registered. Claas dominates the market with 69% of sales.

According to feedback from the National Ploughing Championship sales of diet feeder mixer wagons were up on 2023 for YTD. This was due to improved milk prices in the second half of the year and the ability to buffer feed stock with silage, straw etc when grass growth was in adequate during 2024 due to poor weather conditions. The market leader is Keenan & other popular Irish brands include Abbey, Hi Spec & Redrock. The FTMTA farm machinery show during Nov will probably give a boost to year end orders.

There are also attractive grants for farm buildings, machinery, milking equipment etc under the Targeted Agricultural Modernisation Schemes (TAMS).

TAMS 2 payments now stand at €461.5 m, with a total of 37,441 payments made. TAMS II aims to provide farmers with grant aid to improve and/or build a specific range of farm buildings or purchase equipment that may benefit their farm businesses. TAMS 3 payments stand at €26.6 m, with a total of 2,884 payments have been made so far. TAMS 3 includes more than 50 new items including organics, tillage, solar and women farmers.

INCREASED INTEREST IN ORGANIC FARMING

According to Minister Pippa Hackett in the last two years alone, the number of organic farms has more than doubled. Over 4,000 farmers are now farming organically - including just over 2,000 who entered conversion in January 2023. About 70% of organic farmers are cattle farmers and are usually those operating small farms on marginal land.

Ireland's National Organic Strategy 2024-2030 aims to increase the share of land being farmed organically from approx. 5% this year to 10% by 2030, and to treble the wholesale value of organic output to €750m. During Nov, 4,180 farmers received their 2024 Organic Farming Scheme (OFS) payment, worth over €43m with an average payment of over €19 k per participant.

According to Bord Bia the latest figures from 2016 show the organic retail food market in Ireland is now worth over €136 m pa. In the European Union, the market for organic food is worth €24 billion (2014) a doubling in size over the last 10 years. The largest markets exist in Germany (€7.6 billion euro), France (€4.8 billion), the UK (€2.3 billion) and Italy (€2.1 billion). According to Teagasc premium prices of 15 to 20% have generally been achievable for organic beef in recent years.

The premium for organic versus conventional beef will be eroded back to 10pc if the annual organic kill surges, as expected, to 200,000 cattle over the coming years, Good Herdsmen's John Purcell has stated. Mr. Purcell who finishes 1,000 organic cattle pa on his 950ac enterprise, said organic Irish beef has commanded a premium of 12-15pc on conventional price in recent years.

PROFIT FROM PEDIGREE BREEDING

Pedigree breeding is very popular in Northern Ireland (NI) and enables many smaller herds or flock owners to significantly improve their farm incomes. The NI Limousin Cattle Club's Ladies in Red show and sale last August was another record-breaking day, with prices soaring to 25,000 guineas and 14 lots changing hands for a record average £8,115 per head. The record price of 25,000 gns went to a heifer owned by William Gabbie from Crossgar, in Co. Down. The 13-month-old heifer was purchased for 5,500gns at Carlisle seven years ago.

James McKay who runs 130 pedigree cows at Maghera claimed the junior championship and supreme overall Ladies in Red plaudits for the second year in succession. His nine-month-old Ampertaine Ujlo ET came under the hammer at 20,000gns, selling to the Smithy Herd based at Jacobstow in Cornwall.

NI Limousin Club chairman Kieran McCrory, Sixmilecross, secured the day's intermediate championship and reserve supreme award with the thirteen-month-old heifer Bernish Uptowngirl ET sold for a record 19,000gns.

CHAROLAIS bulls met an 85% clearance at the NI Elite Export Show and Sale at Swatragh Mart early in November1, where 40 bulls sold to average £5,423 and trade peaked at 14,800 guineas. Making that top price was the senior champion Coolnaslee Ulex, an 18-month-old from William Whyte, Innisrush, Co. Antrim. The overall and intermediate champion –made the second top price of 10,000gns. That was Rossavalley Uptown lad, a Corrie Alanson from Martin Baxter, Bellanaleck, Enniskillen.

At the 2024 Carrick Winter Fair, a Limousin-cross heifer owned by Derrick Forde from Corrandulla, Co. Galway sold for a record price of €30,000. David Wharton from Birr, Co. Offaly sold, a Boherard Overdose sired heifer for €15,000. A Trueman Idol sired heifer owned by Jack O Meara from Birr, Co. Offaly sold for €12,600. Its stable mate also sired by Truman Idol and owned by the same breeder was sold for €9,800 making it a great day for the Birr breeder.

Our best-known cattle pedigree breeder is of course Michael O'Leary, CEO of Ryanair. His 120 cow Gigginstown Angus, herd is based at his 2,200-acre Fennor farm just outside Mullingar where winter wheat, winter barley, spring wheat and whole crop silage are also grown for feed for 400-500 cattle. At the annual sale last April the top bull made €7,000, while the top female sold for €5,800. All 24 bulls offered for sale and all 18 heifers, sold for over €155,000. During the year Michael O'Leary invested just over €140,000 installing solar panels and 90kW of batteries on his farm. The 231-panel Swyft Energy system is one of the country's biggest agri-solar installations, capable of generating up to 100,000kWh of electricity a year. "During the summer months we are generating 70% of the electricity we consume here in the farm and house, and exporting around 30% of it back into the grid."

The combined savings amount to over €3,000 a month since the project was completed last June, while the entire system will have fully paid for itself in just over five years.

The Irish Holstein Friesian Association (IHFA) is a member owned organization with 3,700 members in 15 club areas. There is also a Holstein club in Northern Ireland. Pedigree Black & White genetics are in strong demand with six cows achieving individual prices over €6,000 at the Ballintosig Herd Clearance Sale of the herd of

Anthony Flavin, Killeagh, Co. Cork. The top price was €8,050 & a complete 100% clearance rate was achieved. The milk recorded performance of this spring calving herd in 2023 was 7,426 kgs milk, 595 kgs milk solids, 4.24 % Fat, 3.78 % Protein. This compares with a national average in the ROI for commercial herds of around 6,000 litre spa.

There was a steady trade for quality fresh calved heifers and cows at the Dungannon Dairy Sale last September, hosted by Taaffe Auctions. Heifer prices peaked at 3,650 guineas, while cows sold to a top of 2,900gns.

Pedigree breeders take great pride in their stock & probably average 20-25% more milk/cow as they invest more in genetics & animal nutrition. They also get a substantial premium for any stock they sell so they have a much better income and lower capital costs/cow than the average dairy farmer.

Record prices for sheep breeding stock are being driven by a very robust lamb trade. The Irish Texel Sheep Society's premier show and sale at Blessington Mart in Co. Wicklow during August achieved record prices. The reserve male champion was Silver Hill He's A Cracker, coming from a flock in Co. Donegal, sold for a whopping €20,000. The second highest price on the day was the ram lamb, Oberstown Hercules, sold for €18,000. Coming in close behind at €15,000 was Annefield Hugo, the choice of the Greene and McLoughlin flocks from Co. Donegal.

A trio of 10,000 guineas bids helped deliver a record ram lamb average price of £1,508 at the NI National Texel sale at Ballymena last August. The first 10,000gns bid came for the champion from the pre-sale show, Forkins Hawkeye from Alastair Gault, Newtownabbey this was the son of the 100,000gns Strathbogie Gypsy King. Next at 10,000gns was the first of two from Jonny Cubitt, Ballymena, in the form of Drumcon Hall of Fame. The other at this price was Drumcon History Maker, another by Gypsy King. Next at 6,000gns was the reserve overall champion from Ivanna Strawbridge, Coleraine. It was bought by the judge, John Greene. Co Donegal. Shearling rams peaked at 4,000gns for Artnagullion Godfather from Brian and William McAllister, Kells in Co. Antrim.

The November Big Bang Export sale of Suffolk, Dutch Spotted and Badger Face Texels at Balmoral Park topped at 10,000gns.The sale leader was a shearling gimmer by Limestone Another Level from A. and R. Wilson's Shannagh flock, Raphoe, in Co Donegal.

LIVESTOCK NUMBERS HAVE PEAKED

Preliminary CSO estimates for June 2024 show that the number of Dairy Cows dropped by 22,700, bringing the total to 1,624,000. However the long term trend is for average yields/cow to increase so higher yields may compensate for reduced cow numbers.

Cattle under two years of age were down by 2.8%, whereas those two years and older increased by 2.6%. The total Cattle number was down by 158,300 (-2.2%) to 7,183,100. The total number of Sheep decreased by 8.8%. The figure for Breeding Sheep was down by 11.9% while the number of Other Sheep decreased by 5.1%.

On a positive note, the total pig population in grew to 1,679,900, a 1.1% rise compared with June 2023. The number of Breeding Pigs increased by 7,200 (+4.9%) to 152,800. Non-breeding pigs also saw a modest rise of 11,400 (+0.7%), reaching a total of 1,527,100.

COLLAPSES IN FARM FORESTRY PLANTING

A €20m fall in this year's allocation from the Govt. for the forestry sector shows that the industry is heading in the wrong direction as farmers turn away from planting trees. The industry is seeking a dramatic increase in afforestation by changing agricultural incentives – and to this end it is seeking the greater use of Irish wood in, for example, the construction of housing, according to Mark McCauley, director of Forest Industries Ireland.

Farmers in forestry face tight environmental rules that have placed restrictions on the sector. According to a report last August by Social, Economic Environmental Forestry Association of Ireland (SEEFA), 1,024 ha have been planted in the year so far — trailing far behind the target of 8,000 ha.

According to SEEFA (Social, Economic and Environmental Forestry Association of Ireland) at current planting rates, Ireland risks falling off a carbon cliff, where the forest estate will transition from a carbon sink to a carbon source by 2050.

Last year, the Environmental Protection Agency (EPA) submitted an assessment to the Government that highlighted that Ireland will need to plant far more than the 8,000ha per year to meet its climate action commitments. The peak for planting in Ireland was in the mid-1990s when we were planting over 20,000 ha a year.

On a positive note Irish timber sales to Britain could double to €2bn a year over the next 15 years, with a huge amount of Irish commercial forestry set to mature, according to Forestry Industries Ireland (FII).This is a big market opportunity for Irish commercial forestry," said FII director Mark MacAuley as Britain supplies only 20% of its own timber needs and is the world's second biggest importer.

We have this big national resource of 400,000 ha of Sitka spruce planted in the Eighties and Nineties that will be available over the next 15 years or so. The timing is good, with huge demand predicted in Britain for that time period. The maturation of these forests will double the supply of Irish timber.

THE VALUE OF IRISH FORESTRY

In Ireland we have almost 22,000 forest owners thanks to the State's investment of some €3b in establishing new forests throughout the country. This sector is worth €2.3b annually to the national economy. It supports 12,000 jobs, mostly in rural areas, and generates €1b in annual exports. The sector provides all the timber we need to build our homes and is a fully sustainable industry.

Our forests diversify our landscape and habitats, and store over 300 m tonnes of carbon. The forest sector is fully sustainable; it produces green building products that create low carbon homes.

Our forests provide public access spaces for recreation, exercise, and leisure. They are highly valued by their local communities. In 2023, Coillte recorded over 2.74m visits throughout 51 of its recreational sites. Coillte has more than 440,000 ha of forest and land and 260 forest recreational areas.

2024 A GOOD YEAR FOR LAMB PRODUCERS

According to Teagasc 2025 lamb prices are forecast to remain close to the high levels observed during 2024, a slight easing in costs, will result in higher margins on sheep farms. Sheep gross margins are forecast to increase by 16% on average, to €967 per ha.

In the first seven months of 2024, around 152,000 less sheep were slaughtered compared to that period of 2023, with around 1.63 m head for ytd. In the first seven months of both 2022 and 2023, the number of sheep slaughtered was in excess of 1.75 m head. According to Seamus McMenamin, sheep meat and livestock sector manager of Bord Bia "the tighter supply situation led to the very strong prices (around €1/kg over 2023 prices) in around the Muslim festivals and Easter.

A difficult lambing period and a reduced ewe flock of 3% has "fed in" to a smaller lamb crop. Overall, the 2024 born lambs are back by about 88,000 head for year to-date. It's been a difficult grass growing year too and it's also slowed down the supply of lambs to the factories. The British market, weekly kill has been back 10-12% and that's kept a floor under our price. The forecast for the European forecast is about a 5% decline over the whole year. Australia and New Zealand are seeing contracting flocks so they are very tight on supplies of lamb.

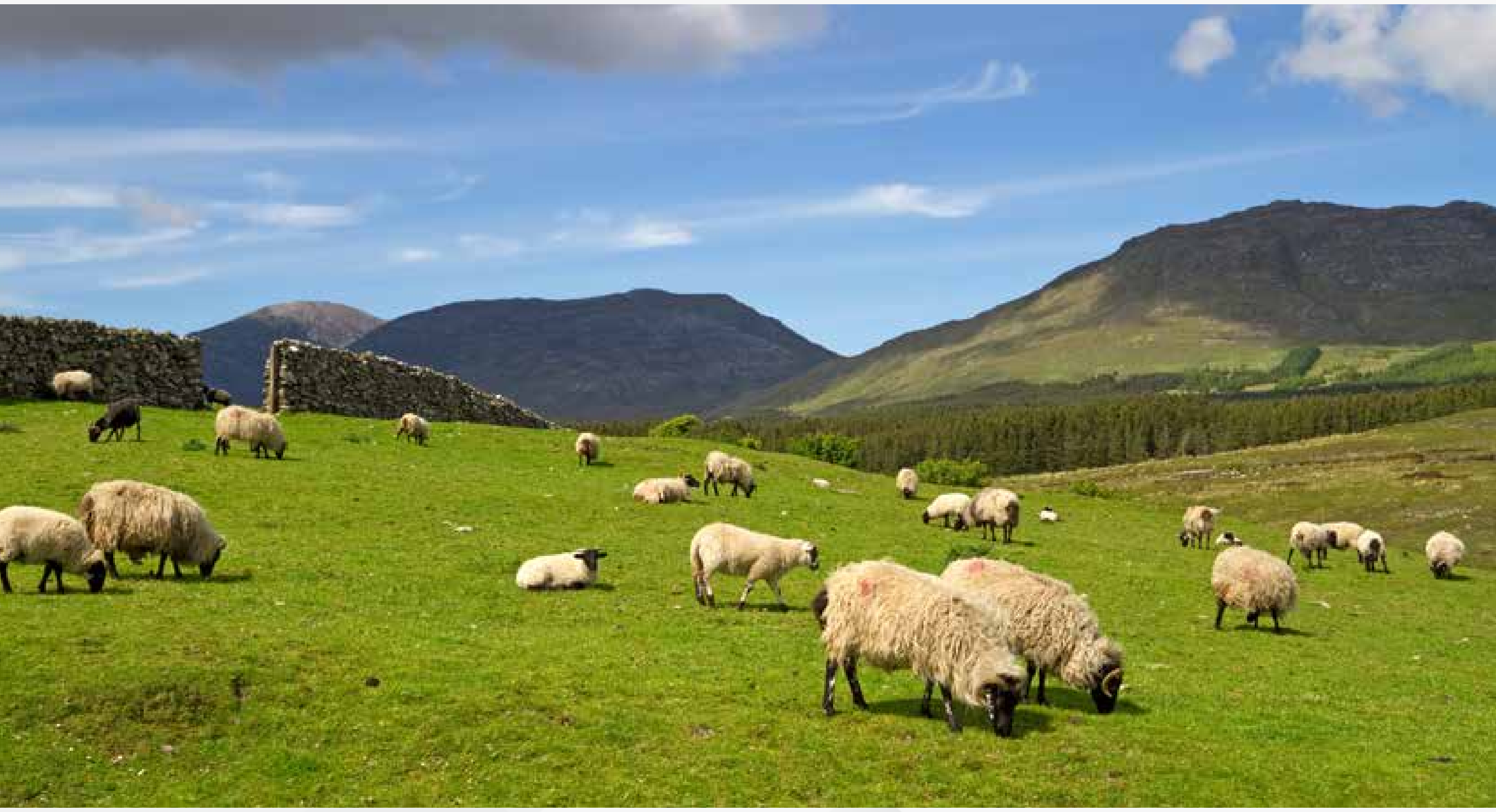
DAFM data for the week ending November 10 has the kill at 41,041, versus 61,297 twelve months ago. The overall slaughter for the year to date of 2,223,774 is 10pc down on the same period last year. According to New Ross Mart manager Jim Bushe "falling sheep numbers are all factors in the strength of the trade, but the real driver is at the consumer end. It's Britain and Europe's increasing Muslim populations that are the main drivers."

This year it is estimated that the number of Muslims living in Britain will reach 3.9m, With Germany up to 4.6m, France to 6.7m and Italy to 3.0m. The effect of these populations on the sheep trade here can be seen clearly, especially around religious festivals such as Eid when demand for lamb increases. According to ICSA sheep chair Willie Shaw "Mart prices for ewes are being driven by shippers and they are giving up to €50 per head more for ewes than you'll get in the factory".

18,627 applications have made applied to the Sheep Improvement scheme accounting for 1.9m ewes. Total support payments for ewes have been increased to €25/ewe following the provision of €22m in exchequer funding in the 2024 budget.

IMPROVED CATTLE PRICES FOR 2024/25

According to Teagasc finished cattle prices and store cattle prices are forecast to be 4% higher in 2025 relative to 2024. Weanling prices are forecast to be 2% higher in 2025. The average gross margin on the cattle finishing enterprise is forecast to increase by 8% to €816 per hectare in 2025. The average gross margin on the single suckling enterprise is forecast to increase by 10% to €639 per hectare in 2025.



During November factory cattle prices broke the €6/kg barrier and were €250 a head up on the same period of 2023. As of early November, Irish cattle exports to date this year have surpassed 350,000 head in what has been the highest recorded level in recent times, according to latest DAFM figures .This is an increase of 13% on 2023 and 30% on 2022 levels.

Weanling, store and adult cattle export numbers are all up significantly with over 55,500 weanlings exported to date this year, up by over 21,000 head on the same time period of last year. Spain has taken the largest volume of Irish cattle this year, up 41% and overtaking the Netherlands as our largest customer. There is also a significant rise in the number of cattle going to Morocco which has increased by almost 20,000 head to date this year.

Cattle processed in meat factories for July ytd was estimated to be approx. 1.073 m head, about 17,000 head over the same period of 2023.However a fall in the average cattle carcass weight over the last five years is driving up processing costs and must be reversed, according to Bord Bia.

When compared with the first six months of 2023, current carcass weights for steers and heifers are back 5kg and 6kg respectively. However, for 2024 the lower carcass weights may have been due to poor grass growing conditions. Industry stakeholders warn that reduced carcass weights is leading to an increase in boning hall costs by the equivalent of €0.10/kg of carcass weight, while lighter carcasses also have a reduced amount of 'saleable' meat.

Meat factory prices for both bullocks and heifers in the Republic continue to lag far behind those in the North and in Britain. British prices as of November were currently over €1/kg or as much as €380/head above our price. According to the IFA demand for beef is strong and will only increase further as supplies in Britain and EU are tight, contributing to the higher prices in these destinations.

The number of suckler cows present on Irish farms in June 2024 declined by over 250,000 head when compared to the same period in June 2015, provisional figures released by the Central Statistics Office (CSO) have shown. However, with excellent cattle prices for 2024 and god market prospects for 2025 it is expected that numbers will begin to increase again. Many older farmers exiting milk production may also decide to establish a suckler enterprise. A suckler enterprise also suits part time farmers who are growing in number.

194,327 Irish calves have been exported for Aug year to date to date in 2024 mainly to the Netherlands, Spain, Italy & Poland, Hungary and Northern Ireland. Despite a 4% drop on 2023, the number of calves exported from Ireland this year has been the second-highest in the past decade. However weanling and store cattle exports are running 27% and 37% ahead of 2023 levels. The number of calves sold to the Netherlands is down 27% and it is our largest market at over 77,400 Irish calves in the first 30 weeks of the year. A new market has been Croatia with over 3,000 calves being sold there.

63 % of calves exported in 2024 have been beef-sired compared with 54% for the same period in 2023 .The increased usage of beef genetics in dairy herds is adding value to calves and the meat industry. There have been some animal welfare concerns re the export of live animals which need to be addressed otherwise exports could be halted by new EU legislation.

According to Bord Bia the emerging calf markets seek a slightly older age profile as they prefer them to be in excess of 50kg. The change in the marts this year to only accepting stronger calves helped with this and in general farmers with heavier calves get a better return.

In the past, the Netherlands reliably imported well in excess of 100,000 Irish calves, but with greater focus on eradicating IBR, the Dutch market will soon no longer be an option after 2025. However, a Dutch veal expert says that Ireland could produce 8-12-month calves for rose veal and supply markets in France, Italy, Portugal & Spain. "From a veal calf, 55pc is used as meat. The rest is all high value. One of the highest-value products is the heart, which is shipped to the US as raw material for human valve surgeries.

Calf skins are used in the luxury leather sector such as Louis Vuitton, leading players in Irish agribusiness such as ABP and Kerry are ideally placed to establish a successful veal export business.

NEW BEEF MARKETS IN ASIA

Last May the Minister for Agriculture, Food and the Marine, Charlie McConalogue announced the opening of the South Korean beef market to exports from Ireland. With a population of over 50 m people there is huge potential for Irish Agri-food exporters as South Korean consumers are the highest per-capita consumers of meat across Asia, with consumption of 79kg per person. Of this 17kg is beef. South Korea is only 35% self-sufficient in beef production, so in 2020, it imported almost 500,000t of beef, of which 92% came from the US and Australia. Korea brings the number of markets for Irish beef to over 70 and others with potential include Vietnam and Thailand

Over a quarter of cattle killed in the first four months of 2024 came from feedlots, according to DAFM data. That figure is up 10% on the number processed from feedlots during the same period in 2023. In 2021 the feedlot kill to the end of April was 20% of the total. The cumulative growth in feedlot production over the past four years is 43%.

RENEWABLE ENERGY READY FOR TAKE OFF IN 2025

As of now there are around 18 agri biogas plants operating in the Republic of Ireland, and more under construction. There are currently 42 biogas plants operating in Northern Ireland – more per capita than in England, Scotland or Wales. There are currently 103 Anaerobic Digestion (AD) sites in construction or already approved in the region. Once completed, these will be capable of processing around 1.4 m tonnes of feedstocks a year. According to industry experts AD has the potential to be worth up to £33 m a year to the Northern Irish economy.

Animal slurries and silages are used to create energy, and the digestate is reused to create fertiliser for crop growth, resulting in a circular system where nutrients are continuously recycled. Typically, the dry matter (DM) content of digestate is around 6-8% which is similar to animal slurry. However, an important difference is that fertiliser value has been increased, particularly the plant available nitrogen (N) content.

The AD process begins when biomass is put inside a sealed tank or digester. Naturally occurring micro-organisms digest the biomass, which releases a methane-rich gas (biogas) that can be used to generate renewable heat and power; this helps cut fossil fuel use and reduce greenhouse gas emissions.

Biogas can also be upgraded to pure methane or 'biomethane' by removing the carbon dioxide. It can then be used as a direct replacement for natural gas. It can also be used in the transport sector as Compressed Natural Gas (CNG). More recently New Holland launched the world's first 100% methane powered tractor.

Last June the Copenhagen Infrastructure Partners (CIP) launched the Greengate Biogas partnership which will see the development of seven anaerobic digestion (AD) plants in Ireland. When fully established, the seven large-scale projects will produce nearly 1.8 terawatt-hours (TWh) pa of biomethane, representing approx. 3.5% of Ireland's current natural gas demand and 30% of our 2030 biomethane target.

Farm manure will be the predominant feedstock which will be sourced from 2,000 Irish livestock farmers in a 35km radius of a plant. Around 500,000t of manure will be converted per project, in addition to 100,000t of industrial organic waste.

Last Oct the CycleØ Group, a leading end-to-end biomethane platform that builds, owns and operates plants across Europe announced its intention to invest more than €100 in four new biomethane plants at 4 sites in Kildare, Cavan, Galway and Limerick. These plants are expected to generate around 40 GWh each of biomethane in total pa, enough to heat over 3,000 homes for a year in Ireland.

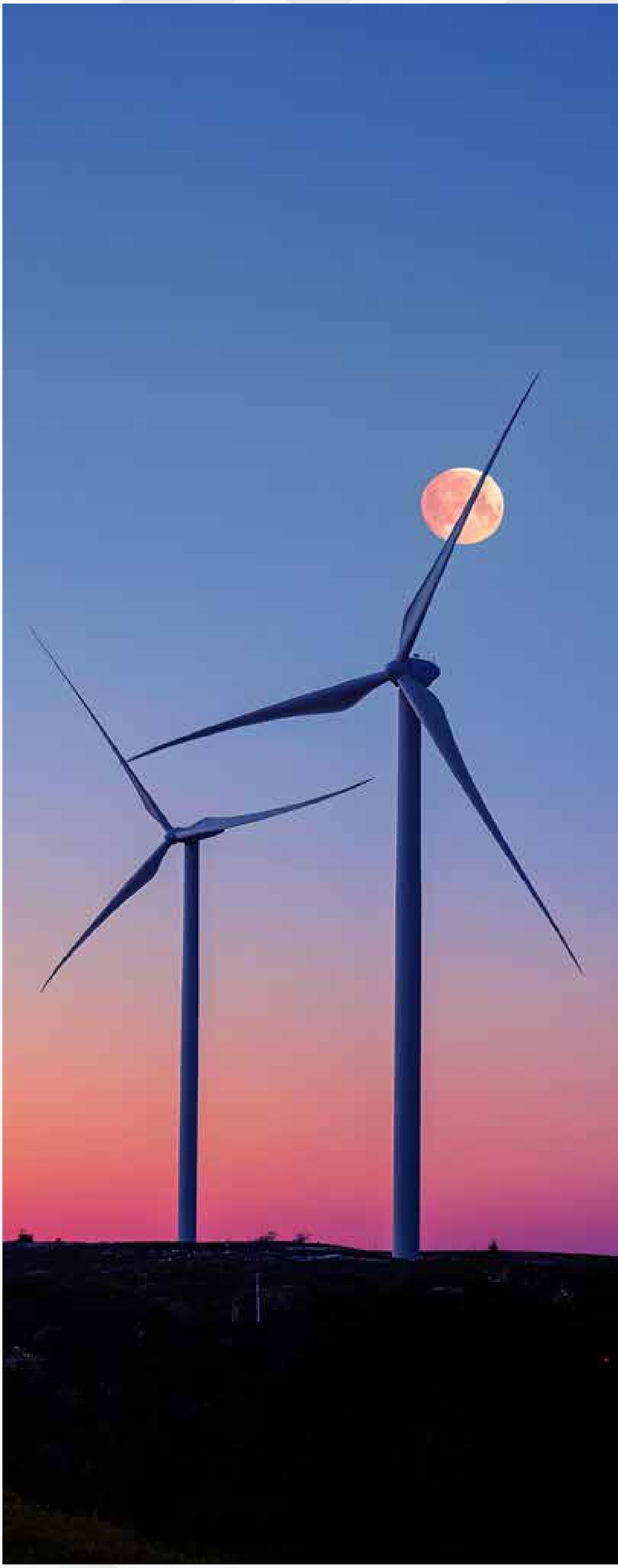
The development of these projects will generate long-term additional revenue for farmers and their communities:

Contracting to provide stock for the plants provides farmers with a solution to the long-term management of slurry, manure and agri-waste. So peace of mind for farmers concerned by the nitrate derogation limiting their ability to manage manure within existing land resources.

The selling of waste for processing at the plants will generate long-term additional revenue with 15-year contracts available as standard.

Farmers may sign agreements with CycleØ to sell or lease land for plant construction and to sell their waste for processing into biomethane, with the right to purchase the nutrient-rich fertiliser produced as a byproduct of the AD process known as digestate, at low cost.

Last Oct the state-owned company GNI announced it was building a €32m plant at Mitchelstown, Co Cork that will allow the gas to be



injected into the national network. The plant will have the capacity to handle enough of the renewable gas to generate 700 giga watt hours of electricity every year, about 12 pc of the Govt's target for biomethane use. This large-scale renewable gas injection facility will power up to 64,000 homes with gas made from farm and food waste.

Bord na Móna and ESB, are constructing a new solar farm on a 700 acre cut over bog at Timahoe North, Co Kildare. The 180 MWp project will be in operation late in 2024 and provide enough energy to power the equivalent of around 25,000 homes

2024 A GOOD YEAR FOR POULTRY INDUSTRY

In the Republic 70m chickens are produced annually, 4m turkeys and eggs from 2m hens. The industry is seriously affected by cheap imports from third countries. Ireland, with its high-cost base for raw feed ingredients is unable to compete economically. The fast-food industry is supplied mainly by imports.

Poultry is normally reared under contract to processors, for a pre-agreed price, and therefore poultry producers are not typically subject to the same price fluctuations as other farmers. According to the IFA the Irish poultry industry has had significant increases in input costs on farm and for processing plants and egg packers during 2024.However prices over the past 12 months for both poultry meat and eggs have remained largely stable.

Lidl are importing barn eggs from Germany due to a 'shortage in supply' of Irish eggs. They are experiencing an egg supply shortage as high levels of consumer demand coincide with lower levels of production as a result of the sector transitioning from cage to barn egg production. IFA are giving a clear message to the retailers that producers need to be paid more in order to reinvest in their farms, to expand and to attract new entrants into the industry.

2024 has shown signs of growth in overall poultry production with slaughter figures, as of week 35 of 2024, up by 2.8% on the same period of 2023 and, the overall slaughter figures for 2024, could exceed 114m birds.

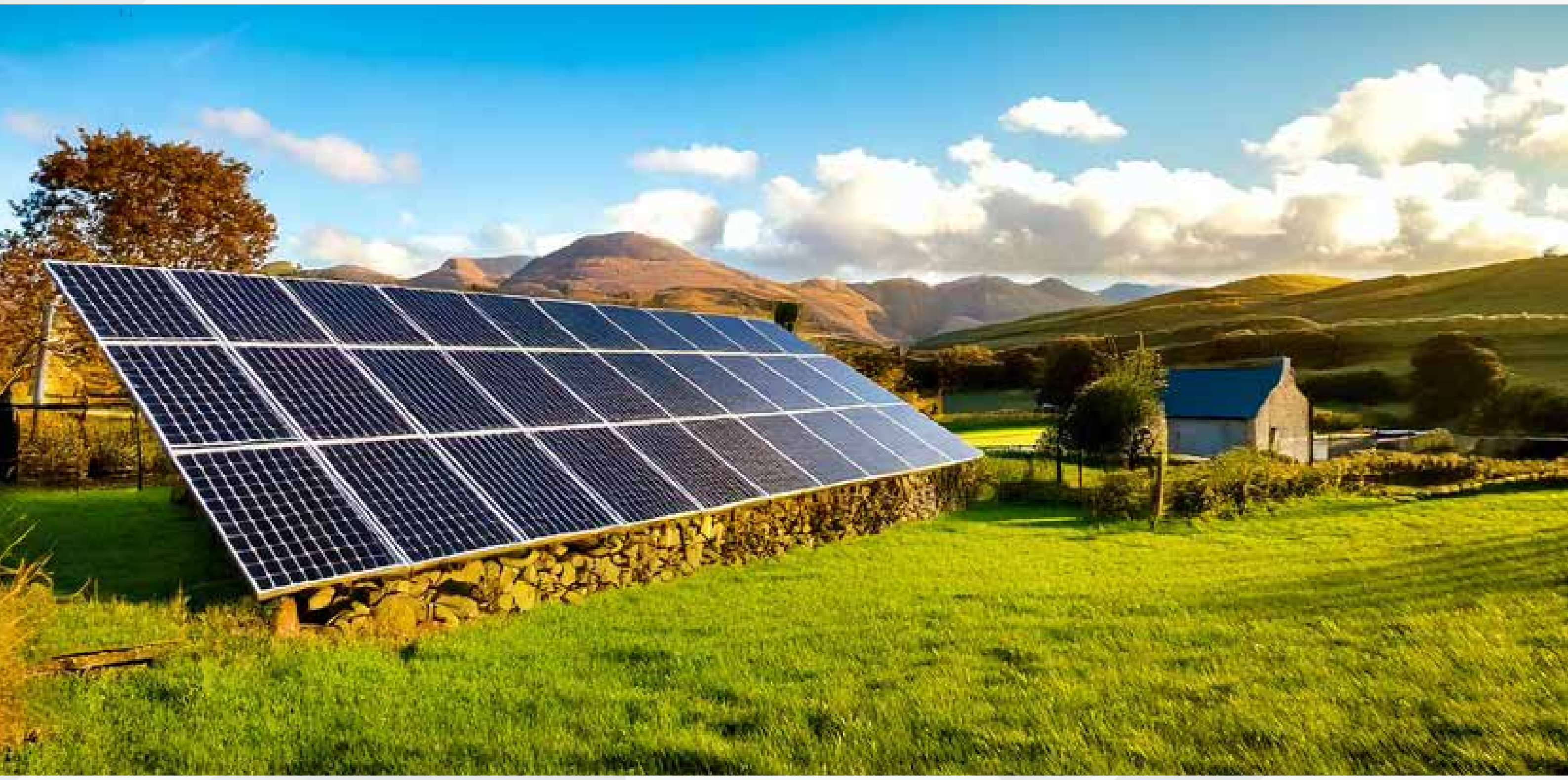
The August 2024 price for Whole 'Class A' Chicken, was approx. 7.99% higher than the price being achieved 12 months previous. According to CSO figures, the UK (€206.2m) accounted for 72.2% of 2023 total exports in terms of value. The Netherlands (€22.4m), France (€12.1m) Germany (€7.6m) and Spain (€7.3m) also featured prominently as export destinations in 2023 and these countries accounted for almost 90% of total Irish poultry meat exports last year by value.

The Ibec Poultry Group represents the interests of the Irish poultry processing industry. The group is comprised of the five largest poultry processors in Ireland.

The poultry sector (meat and eggs) remains a critical part of the rural economy in many parts of the country, delivering around €700 m in output and supports over 5,000 jobs. Around 800 farms are involved in commercial poultry production in the Republic of Ireland.

The industry employs over 5,000 people directly, contributing more than €140 m in wages. In 2022, exports were valued at more than €350 m; €200 m of which is value-added products and €150 m which is primary poultry products. The sector spends €400 m on inputs (Irish cereals etc) pa.

The sector produces 170,000 tonnes of poultry meat and 900m eggs pa. The farm-gate value of output of the poultry meat sector has increased by 30% over the 2015 to 2022 period.



SOLAR ENERGY REDUCING PIG & POULTRY PRODUCTIONS COSTS

High energy efficiency on poultry or pig units means simple efficiency measures can yield significant savings, especially in older buildings. Investing in solar panels could cut electricity costs on some poultry farms by 70% to 75% during the summer months from May to August. A 20 kW solar PV system can generate approx. 16,000 kWh of electricity per year, which is enough to power the lighting, heating, and ventilation systems of an average poultry or pig farm.

In addition, some solar PV systems are equipped with battery storage, which allows farmers to store excess electricity generated during the day for use at night or during periods of low solar radiation. Solar PV panels have a long lifespan and require minimal maintenance, so farmers can enjoy low-cost, reliable electricity for many years. By generating electricity from renewable sources, farmers can also significantly reduce their carbon footprint.

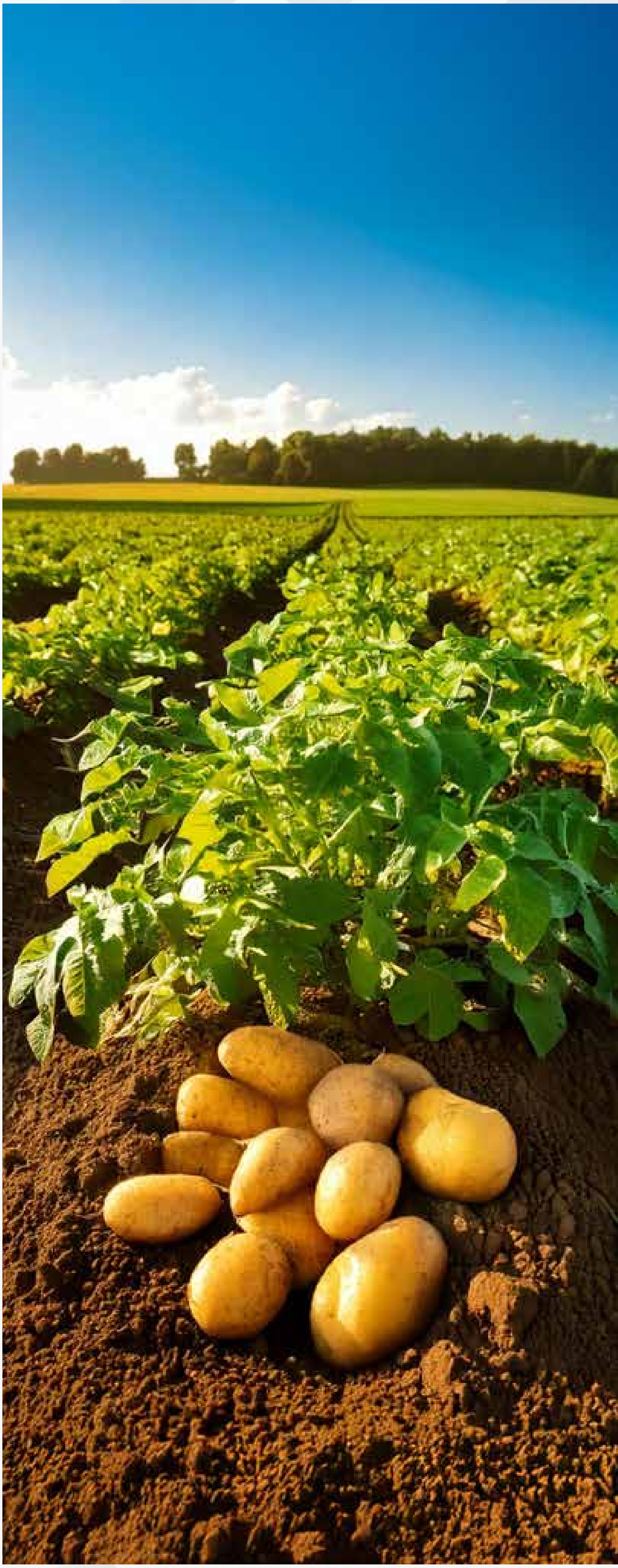
A resurgence in the Northern Ireland poultry flock has contributed to record feed deliveries of nearly 2bn tonnes across the first nine months of 2023. On 1 June 2023, there were 25.5m poultry on farms in Northern Ireland. In comparison, there were 20.6m poultry in 2022. The value of output in the poultry sector increased by 2% to £380 m in 2023 while the egg sector increased by 47% to £223 m. Feedstuffs costs, which accounted for 57% of the total gross input estimate, increased by 5% to £1.24 billion in 2023.

Moy Park which operates nine processing plants in Northern Ireland became largest company there during 2023. Sales reached €2.4bn (£2.04bn) in 2023, up 9% on the previous year as households increasingly turned to chicken over more expensive meats amid the cost-of-living crisis. Moy Park, which is owned by the US Pilgrim's Pride now employs around 5,000 people on the island of Ireland. Alongside the Moy Park brand, Pilgrim's also owns Denny, Galtee, Richmond and Fridge Raiders. The company supplies supermarkets and restaurant chains throughout Britain, Ireland and Europe with organic, free-range and higher welfare chicken. It deals with 700 farms and has 35m chicken on the ground at any given time. It also produces beef and pork products, vegetarian products and desserts.

MUSHROOM INDUSTRY GOING STRONG

The Irish mushroom industry is acknowledged to be one of the best in the world. It is the largest horticultural sector in Ireland, accounting for almost 50% of the value of our edible horticultural output. Irish growers produce 70,000 tonnes of mushrooms a year, 85% of which is sold in Britain, mainly through the big supermarket chains. Total horticulture and cereals exports were valued at €295 million in 2023, of which mushrooms accounted for almost 50% of the total export value.

CMP – Commercial Mushrooms Producers Ltd a cooperative is Ireland's largest mushroom producer organisation, representing 90% of Irish mushroom production and growers, dedicated to providing top quality, environmentally friendly products which offer both great value for consumers and a worthwhile endeavour for producers.



2024 was a positive year, as there is a longstanding relationship between the industry and British retailers, built on the quality of mushrooms supplied, and good service. In addition, Irish companies have positioned themselves as premium suppliers with innovative vitamin-enhanced mushrooms.

According to a Teagasc report, Ireland's mushroom sector is labour intensive, although significant research and development (R&D) is ongoing here and abroad to evolve production systems and automate more of the picking process. Labour represents on average 46% of total input costs and has increased by 24.3% over the past three years. Recruiting and retaining staff is the major challenge facing mushroom growers.

At the present time, energy accounts for 5.9% of the overall cost of production for mushroom producers. While a large number of producers have invested in renewable technologies such as solar PV and biomass boilers, biomass wood pellets and woodchip remain the primary fuel source used for heating Irish mushroom farms.

Another increased cost was mushroom substrate which represents 35.2% of total input costs. The increase in costs was due mainly to an increase in straw price, on the back of a reduced cereal acreage.

The Scheme of Investment Aid for the Development of the Commercial Horticulture Sector provides grant aid towards capital investments in specialised plant and equipment including renewable energy, as well as technology adoption specific to commercial horticulture production. This Scheme has a budget of €10 million for 2024.

INCREASED POTATO ACREAGE IN 2024

According to DAFM data the value of potato and potato-based imports amounting €229 m in 2023. This represents an increase of 24% or €68 m on 2022, while the volume of these imports increased by 6% or 13,613t. Recent years have seen the issue of imports addressed by the Irish potato industry. One obvious example of this has been the enhanced commitment of growers to produce greater tonnages of high-quality potatoes that are suited to the chipping sector.

A growth in the production of Irish salad potatoes is also evident over recent years. Progress in this regard, however, has been slower than many growers would have liked. This has been caused by restricted supplies of suitable seed stock. However, the area planted under potatoes rose by 12.7% in 2024 with many growers opting to plant potatoes in ground that had been originally earmarked for spring cereals. With plantings so late this year as spring 2024 was one of the wettest on record, especially in the traditional growing areas of the south and east. Last season's stocks were tight, and potato yields will be significantly reduced this year, especially on late-planted crops "This is a direct result of the late planting dates and the fact that we had very little sunshine throughout the summer period.

However, on a positive note harvesting conditions have been excellent this year. Growers are reporting that the potatoes' yields are of excellent quality. However, reported yields are back up to 2t/ac on normal levels. Prices may not reach the heights of 2023. However, potato growers should still get a realistic return for their crops. Growers are continuing to invest in new technology & crop storage systems as they may have to keep potatoes in cold storage for up to eight months before selling all their crop.

One example of this new technology is the development of a new integrated camera and software-based crop analysis system. This system has the potential to allow farmers and packers to comprehensively assess the yield and range of potato sizes produced by a specific crop while the harvester is still in the field.

FUTURE OF MILK PRODUCTION

Dairy farms have seen a substantial income recovery in 2024, as higher milk prices, up 15% on the 2023 level, have driven a recovery in margins. The typical dairy margin should be over 13 cent per litre in 2024, an increase of over 6 cent per litre on the 2023 average. Taking account of the drop in milk production, the average dairy farm income in 2024 should be approx. €89,000, an increase of 80% relative to the very poor previous year.

According to Teagasc the outlook for the global dairy market is generally positive for 2025, with average Irish milk prices projected to improve 5% on the 2024 level so dairy farm incomes could average €113,000 in 2025. Following a decline in 2024, Irish milk production is forecast to increase by 4% in 2025, with improved yields anticipated, assuming a normal season for grass growth. In 2025 the average dairy net margin is forecast to improve by 29% compared to 2024, to 17 cent per litre.

CSO estimates for June 2024 show there was a small drop in the number of dairy cows (22,700). However, the long-term trend worldwide is for average yield/cow to increase so higher yields longer term may compensate for any reduced cow numbers.

However, the impact of the Nitrates EU directive is putting enormous pressure on milk producers to reduce cow numbers, and many older farmers are looking to exit the business and switch to a less onerous cattle enterprise. There are also fewer younger farmers entering the milk production business. On a positive note, may dairy farmers could profitably cull passenger cows for poor yields, infertility and other health problems. Their smaller herd would have access to more grass and silage, increase milk yields /cow and reduce overhead labour and costs.

In the Republic of Ireland, the average yield/cow is only 6,000 litres pa while it is around 7,500 litres in Northern Ireland (NI) where they have invested in more in better genetics and use far more compound feed/cow.

In The Republic due to a combination of poor milk prices in 2023 and poor grass growing conditions this year the milk supply to Coops has fallen over the last two years thereby increasing milk processing costs. However, in NI they have managed to maintain milk supplies and increase them slightly over the last two years. According to AHDB milk production in NI was 1.6% ahead of 2023 for the April-Aug July period.

There are around 2,700 dairy farms in NI and the average herd size is around 120 cows. In the Republic there are around 17,000 dairy farmers and average herd size is about 100 cows with an average size of 60 ha. Almost eight in 10 dairy farmers are renting in some land, with the proportion trending upwards in recent years. On a positive note, many milk producers continue to invest in new technology, more slurry storage, improved farm buildings, better grassland management and make better use of software to manage their business and various compliance requirements.

By making more use of agri-contractor's farmers can reduce their machinery operating and overhead costs while making savings on labour and time. Contractors have bigger and better equipment and employ more experienced staff, so they offer much better value in mechanization services. The average spend per Irish farm on Farm Contractor Services is now €7,340 pa. The 1,500 Farm & Forestry Contractors on the FCI database, each work across an average of three Irish farms per day.

Arrabawn Coop and Tipperary Coop have also agreed to merge late in 2024 which will mean a more diverse product portfolio and better milk prices for Tipperary Coop milk suppliers. The new coop will over 1,400 dairy farmers supplying almost 750m litres of milk pa. with an annual turnover exceeding €700 m. Both coops have complementary product offerings, routes to market and well-invested and technically advanced manufacturing facilities that will help deliver a sustainable milk price for suppliers.

In late 2024 the Kerry Group agreed to sell its dairy processing division in two stages to its main shareholder, Kerry Co-op, in a deal worth €500 m. The co-op will initially take a 70% stake in the business and acquire its Consumer Foods Products and Dairy Ingredients business for about €350 m. The deal covers milk processing plants in Ireland and Britain and well-known brands such as Dairygold spreads, Charleville cheese and Cheestrings snacks. The business has 1,500 employees and will continue to supply Kerry Group.

Kerry co-op owns about 11% of the listed company. The deal will ultimately see the co-op disappear as a shareholder in the company as it uses 15% of its Kerry Group stock to fund a deal and moves to distribute the remaining 85%, worth €1.4b, among its 11,906 members.

Dairygold recently completed its Milk Supplier Census for the period 2025-2030. Ifac was commissioned to carry out the survey during September and October with 94% of milk suppliers responding. Uncertainty around environmental issues (52%) is an important factor impacting milk production, followed by land availability and stocking rate (37%). However over 51% of respondents are positive or very positive about the future of milk production on their farm.

Farm infrastructure (57%) is the most common planned investment for Dairygold milk suppliers over the next six years, with slurry and/or soiled water storage (31%), as well as energy saving measures (30%) also rating highly on the list of priorities. Over 98% have taken action on their farm to make their enterprises more sustainable. Unfortunately, the survey also suggests that there will be a 5% drop in milk supply over the next six years.

EDUCATION, TRAINING AND ADVISORY SERVICES

Dairy and other farmers can benefit greatly from membership of knowledge transfer (KT) groups. Previous analysis from Teagasc shows that discussion group members are up to 20% more likely to adopt new technologies and best management practices. There are currently over 19,100 farmers in the beef, dairy, sheep, tillage, poultry, equine and forestry sectors participating in KT groups.

Participating farmers in the new discussion groups will be paid a total of €750 pa for each of the three years they successfully complete. This scheme has a budget of €100m. In addition, farmers have access to the Teagasc advisory and research services plus private Ag consultants.

The Agricultural Consultants Association (ACA) have over 165 member offices in Ireland, employ circa 280 Agri and Environmental professionals and a further 200 employed as admin and technical staff. Six ACA members are also Forestry Consultants.

Teagasc – the Agriculture and Food Development Authority – is the national body providing integrated research, advisory and training services to the agriculture and food industry and rural communities. Around 75% of Teagasc's yearly budget comes from the Irish exchequer and EU funding with the balance generated from earned income. Some 40% of the budget is devoted to research with the remainder split half and half between advisory and education services.

Teagasc employs approx. 1,100 staff at 55 locations throughout Ireland with an annual operating budget of more than €160 m. Teagasc provides an advisory service to 40,000 direct clients and employs around 300 advisers based at 55 offices around the country.

As part of the drive for the Irish agriculture sector to achieve a 25% emissions reduction by 2030, Teagasc has established the Signpost Advisory Programme aims to help farmers to implement climate and sustainability actions on their farms over the coming decade. The advisory service recruited 9,900 farmers into this programme during 2023 which was a remarkable achievement.

There are now a record number of institutions offering Ag and Environmental Sc. degree courses in Ireland. Aside from the long established UCD there is the Southeast Technological University with campuses in Carlow, Waterford and Wexford. In addition, you have UCC, UCG, the Atlantic Technological University in Galway and Letterkenny, Dundalk IT, Munster Technological University (Cork and Tralee), Technological University of the Shannon in Athlone and of course Queens University. There will also be two new Veterinary schools for 2025 located at Atlantic Technological University (ATU), and Southeast Technological University (SETU).

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