



1. Agri-Food Sector and the Economy

Key Indicators for Agri- Food Sectors

Source : [CSO](#)

% of Total

164,400 - People employed in the agri-food sector

7.1% of total employment

€14.4 billion - Gross Value Added at Factor Cost in agri-food sector

4.3% of total GVA

€8.38 billion - Value of goods output at producer prices on livestock and tillage farms (2020)

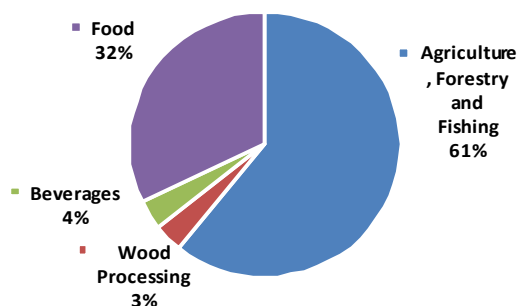
5.3% increase on 2019

€14.5 billion - Value of total exports (2019)

9.5% of Irish merchandising exports

Employment

Employment in the agri-food sector on average accounted for approximately 164,400 jobs, or 7.1% of total employment in 2019 .



Source: Labour Force Survey

Expenditure

Total public expenditure by Department of Agriculture, Food and the Marine was €2.89 billion in 2019.

Payments to farmers totalled over €2 billion including Single Farm Payment, Rural Development and Forestry Payments.

Expenditure on Irish Agriculture, 2019

(Period 1 January to 31 December 2019)

€m

EAGGF Guarantee direct expenditure	1,251
Voted Expenditure (excluding Administration)	1,362
Administration	280
Total Voted Expenditure	1,642
Total DAFM Expenditure	2,893

2. Farm Income and Structures

Advanced Estimates of Aggregate Agricultural Output, Input and Income.

The CSO has released its advanced estimate of output, input and income in agriculture 2020 (link [here](#)). This shows that aggregate farm income (operating surplus) had an **estimated increase** of **+14%** to **€3,484.1 million** in 2019. This follows an **estimated increase** of just under **+4%** in 2019 vs 2018 figures.

The overall estimated value of goods output at producer prices **increased** by **+5.3%** or **€425.9 million**, to **€8,386.8 million**. Estimated Intermediate consumption **increased** in value by **+0.3%** in **2020** versus **2019** figures, to **€5,666.9million**. The main item giving rise to this **increase** in the estimated intermediate consumption was feeding stuffs, which increased by **+3.9%** to **€1,548.0 million** in 2020.

An analysis of the results for 2020 estimate compared to 2019 identified the following main changes:

- 2020 estimates had an **3.8% increase** in the value of milk output, increasing from **€2,601.90 million** in 2019 to **€2,699.9 million** in 2020. The volume of Milk production did **increase** by **3.1%** in 2020, with the value of milk increasing by **€98 million**.
- Estimates saw the volume of cattle produced **increased** by **9.9%**, and the value of cattle **increased** by **€327.6 million (+15.2)**, from **€2,151.1 million** to **€2,478.7 million**.
- There was also an estimated increase in the volume of pigs produced in 2020 (**+5.8%**), large price **increases** resulted in the value of pig production **increasing** by **€59.3m (+10.9%)**, from **€543.0 million** to **€602.3 million**
- The estimated output of sheep **decreased** by **-0.7%** in 2020, however the estimated value increase by **+10.7%** from **€288.8million in 2020 to €260.8million in 2019**. A **€28 million increase** in 2019 figures.



Output, Input and Income in Agriculture 2020E				
Main Aggregates	Value €m	Main Commodities	Value €m	% of G/O
Goods Output @ Producer Prices¹	8,386.8	Goods Output (exc. forage)	7,302.9	100
+ Contract Work	461.2	of which		
+ Subsidies - Taxes (Products)	94.7	Cattle	2,478.7	33.9%
Agricultural Output @ Basic Prices	8,942.8	Milk	2,699.9	37.0%
- Intermediate Consumption	5,666.9	Pigs	602.3	8.2%
Gross Value Added @ Basic Prices	3,275.9	Sheep	288.8	4.0%
- Fixed Capital Consumption	970.1	Crops excel Forage	752.3	10.3%
Net Subsidies	1,784.6	Other Livestock products	481.1	6.6%
- Compensation of Employees	606.1	Forage Plants	1,083.9	
Operating Surplus	3,484.1	Goods Output @ Producer Prices¹	8386.8	

Source : [CSO](#)

¹ Including Forage

Average farm income 2018, 2019 and 2020e

The [Teagasc Outlook 2021 Economic Prospects for Agriculture](#) issued in December 2020 shows that the average Family Farm Incomes (FFI) across all systems, in 2020 the Weighted Average was €24,800 an increase of 6% on 2019 figures. A key driver of this increase has been a reduction in animal feed, fertiliser and fuel prices, along with additional subsidy supports for cattle producers to alleviate the negative effects of COVID-19 on the beef market.

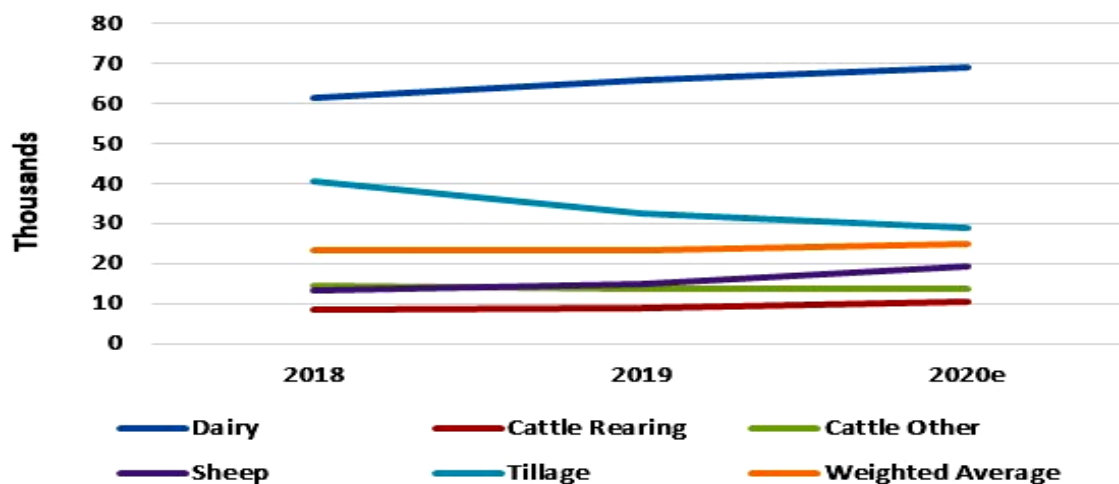
Family Farm Income 2018,2019 with an estimate for 2020

	2018	2019	2020e	2020e v 2019 % change
Dairy	61,446	65,900	69,000	+5%
Cattle Rearing	8,311	9,000	10,600	+17%
Cattle Other	14,560	13,800	13,800	0%
Sheep	13,297	14,800	19,200	+30%
Tillage	40,650	32,700	29,000	-11%
Weighted Average	23,333	23,400	24,800	+6%

Source : Agricultural Economics and Farm Surveys Department, Teagasc, December 2020

Family farm income varies considerably by farm system. The large variations illustrated below are driven by differences in farm size and profitability and production costs. Sheep (30%), Cattle rearing(17%) and Dairy (5%) saw an increase in Family Farm Income compared to 2019, Cattle Other saw 0% increase, while Tillage farms (-11%) saw a decrease on 2019 figures.

Family Farm income by system, 2018-2020e



Source: [Outlook 2021 Economic Prospects for Agriculture](#)

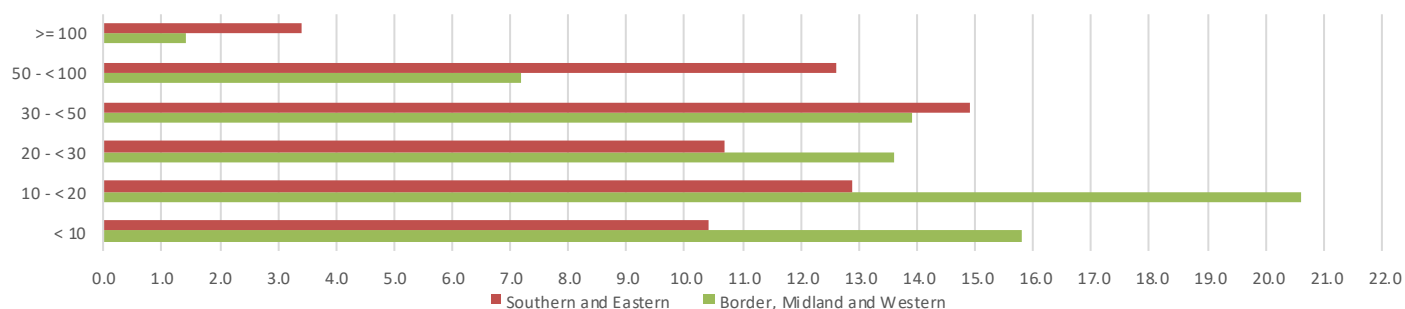


CSO Farm Structures Survey, 2016

According to the [CSO Farm Structures Survey, 2016](#) there were 137,500 farms in Ireland, 52.7% of which were located in the Border, Midland and Western (BMW) region. The average farm was 32.4 hectares. Farms in the Southern and Eastern (SE) region were 41.3% larger than those in the BMW region, with an average farm size of 38.3 hectares compared to 27.1 hectares.

Almost one in five of all farms (18.0%) were 50 hectares or more in size while just over two in five farms (43.4%) had less than 20 hectares. Over 60% of farms of 10 hectares or less were in the BMW region, while almost 70% of farms of 100 hectares or more were in the SE region. The number of farms and the average farm size remained relatively stable between 2013 and 2016.

Farm size (AAU) - Hectares



Source: [CSO Farm Structures Survey, 2016](#)

Farm Structures Data for Ireland, 2016

No. of Farms	137,500
of which Family Farms	137,100
Total Agricultural Area (incl. commonage)	4,883,600
Average Farm Size	32.4 hectares
Family Farm Holders by Age	
Under 35	7,400
65 and over	41,200

Land Prices

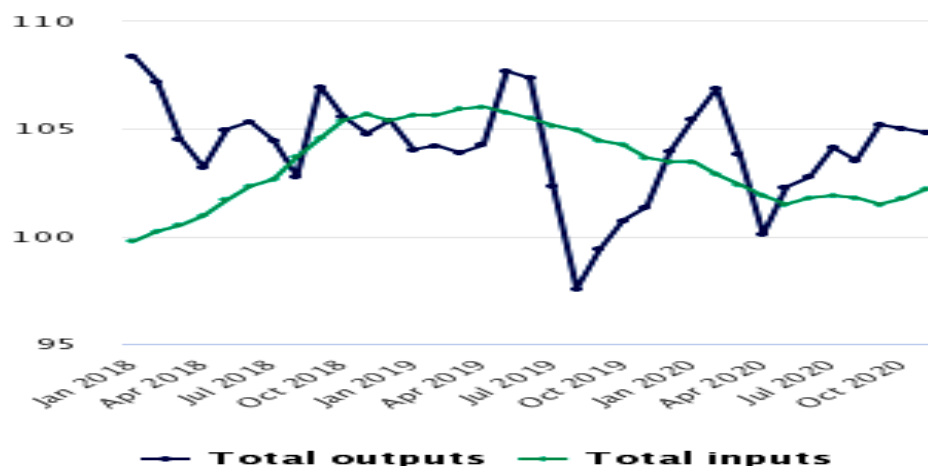
1,331 farms were offered for sale in 2019, covering over 61,206 acres of land, with the Average land price in 2019 estimated to be €8,971 per acre.

Source: Irish Farmers Journal, Agricultural land price report 2019

3. Agricultural Price Indices

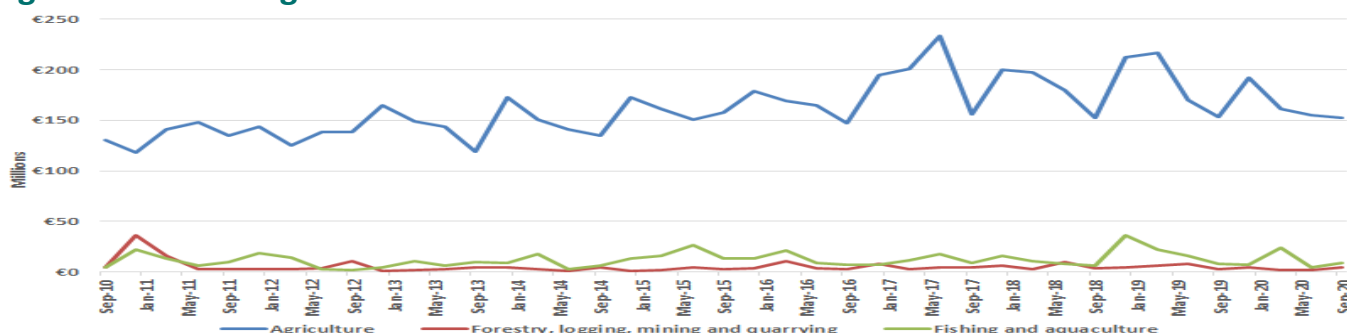
The [CSO's Agricultural Price Indices](#) measures (a) index of producer prices of agricultural products - the Output Price Index, and (b) index of purchase prices of the means of agricultural production - the Input Price Index. On an annual basis, the agricultural input price index decreased by **-1.4%** in November 2020 compared with November 2019. The agricultural output price index increased by **3.4%** in November 2020 compared with November 2019. A further comparison of the November 2020 output sub-indices with the November 2019 sub-indices shows that sheep and cattle increased by **15.0%** and **7.1%** respectively. On the input side, the November 2020 sub-indices show that fertilisers and energy were down **-11.6%** and **-10.1%** respectively on November 2019 prices.

Agricultural Price Indices





4. Agriculture Lending



Source: [Central Bank of Ireland, Business Credit and Deposits 2020](#)

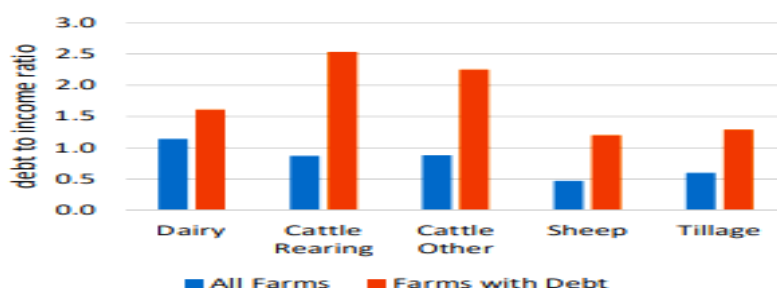
New borrowings by Agriculture, Forestry and Fisheries SMEs

New lending to the primary agriculture industries in the year Dec 2019 to September 2020 was €719m down about 13% from a year earlier at €829m. This may be due to some uncertainty regarding investments in the context of Brexit and the impact of COVID 19 restrictions imposed in mid March.

Farms with Borrowings and Average Debt

Across all farm systems almost two-thirds of farms have no farm business related debt although this varies considerably by farm type. Six out of ten dairy farms had borrowings in 2019 compared to three out of ten on sheep, cattle and tillage farms. While the average debt on dairy farms is over €115,000 compared to close to €30,000 for cattle and sheep farms and about €60,000 on tillage farms, the debt to Family Farm Income ratio on cattle farms having debt is relatively high at 2.53 for cattle rearing and 2.25 for cattle other farms compared to 1.61 for dairy farms while the debt to family farm income on sheep and tillage farms is close to 1.25.

Debt to Income Ratios for all Farms and those with Debt 2019



Source: [Teagasc, National Farm Survey 2019](#)

Future Growth Loan Scheme

The Future Growth Loan Scheme supports strategic long-term capital investment by SMEs, farmers and fishermen and have been open since April 2019. The Scheme has been a success with very strong demand for investment loans, including from the agri-food sector. As a result of the significant and sudden financial impact of the COVID-19 pandemic on businesses, a second tranche of €500million, with up to 40% available to the agri-food sector, has been launched: <https://sbci.gov.ie/products/future-growth-loan-scheme#>. Currently 2742 loans to the value of €554m have been sanctioned and of these 2742 loans, 1095 are farmers with a total sanction amount of €131.8m(23.6%), and 213 are food companies for €45m(8%).

5. Agri-Food Sector and the Environment

Agriculture has a key role to play in helping meet these GHG emissions and energy related targets. Our absolute agricultural GHG emissions rank 8th across EU, contributing approx. 4.4% of EU agricultural emissions.

The Green Low Carbon Agri-environment Scheme pays farmers to promote biodiversity, protect water quality and help combat climate change by carrying out environmental and biodiversity support actions on their farms. GLAS payments amounting to €204.57m were made to farmers in 2020 with total payments of €957.7m made since the start of the scheme in 2015. At the end of 2020 there were 48,369 farmers active in GLAS

The Beef Data Genomics Programme (BDGP) is one of a range of sustainability actions for Irish Agriculture under Ireland's Rural Development Programme. BDGP is designed to accelerate genetic improvements in the quality of the beef herd, leading to associated climate benefits such as reduced emission intensity.