



1. Agri-Food Sector and the Economy

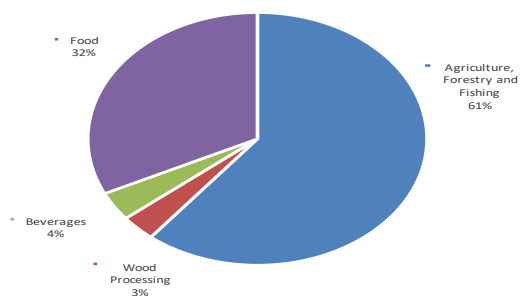
Key Indicators for Agri- Food Sectors

Source : [CSO](#)

	% of Total (2019)
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
€7.9 billion - Value of goods output at producer prices on livestock and tillage farms	6.7% of GNI* (Modified Gross National Income) generated by the agri-food sector
€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

Estimates of Aggregate Agricultural Output, Input and Income.

The CSO has released its final estimate of output, input and income in agriculture 2019 (link [here](#)). This shows that aggregate farm income (operating surplus) **increased** by **+4%** to **€3,055.2 million** in 2019. This follows a **decrease** of **-14%** in 2018 vs 2017 figures.

The overall value of goods output at producer prices **decreased** by **-3%**, or **€258 million**, to **€7,960.90 million**. Intermediate consumption **decreased** in value by **-6%** in **2019** versus **2018** figures, to **€5,647.70**. The main item giving rise to this **decrease** in intermediate consumption was feeding stuffs, which decreased by **-11%** to **€1,489.90 million** in 2019.

An analysis of the results for 2019 compared to 2018 identified the following main changes:

- There was a **2% increase** in the value of milk output, increasing from **€2,556.70 million** in 2018 to **€2,601.90 million** in 2019. While the volume of Milk production did **increase** by **5.1%** in 2019, lower prices resulted in the value of milk increasing by just **€45 million**.
- While the volume of cattle produced **increased** by **2%**, lower prices resulted in the value of cattle **decreasing** by **€111.1 million (-5%)**, from **€2,262.2 million** to **€2,151.1 million**.
- While there was very little change in the volume of pigs produced in 2019 (**+0.4%**), large price **increases** resulted in the value of pig production **increasing** by **€84.0m (+18%)**, from **€459.1 million** to **€543.0 million**
- The output value of sheep **increased** by **1%** in 2019, to **€260.8 million** in 2019. A **€2 million increase** in 2018 figures.
- The value of crops output **decreased** by **-11%** to **€1,897.10 million** in 2019 versus 2018 figures. While the volume of crops produced by Irish farmers **increased** by **7.8%**.



Output, Input and Income in Agriculture 2019

Main Aggregates	Value €m	Main Commodities	Value €m	% of G/O
Goods Output @ Producer Prices¹	7,960.9	Goods Output (exc. forage)	6,896.9	100
+ Contract Work	461.2	of which		
+ Subsidies - Taxes (Products)	99.5	Cattle	2,151.1	31.2%
Agricultural Output @ Basic Prices	8,521.7	Milk	2,601.9	37.7%
- Intermediate Consumption	5,647.7	Pigs	543	7.9%
Gross Value Added @ Basic Prices	2,874.0	Sheep	260.8	3.8%
- Fixed Capital Consumption	970.1	Crops excel Forage	833.1	12.1%
Net Subsidies	1,737.6	Other Livestock products	507.1	7.4%
- Compensation of Employees	586.2	Forage Plants	1,064.0	
Operating Surplus	3,055.20	Goods Output @ Producer Prices¹	7,960.90	

Source : CSO

¹ Including Forage

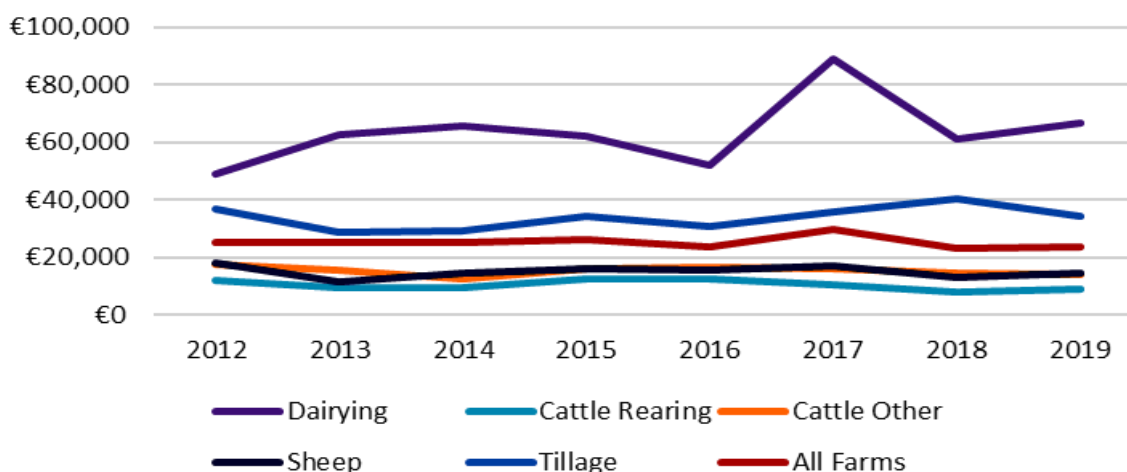
Average farm income 2017, 2018 & 2019

The preliminary results of the [Teagasc National Farm Survey](#) (NFS) issued in June 2020 shows that the average Family Farm Incomes (FFI) across all systems, in 2019 was €23,934 an increase of 2% on 2018 figures, Following a decline in the average income level in 2018, largely due to extreme weather, there was a recovery in average FFI in 2019. However, this recovery was uneven, with the average FFI concealing differences across the various farm types.

	2017	2018	2019	2019 v 2018
	Euro			% change
Dairy	88,829	61,446	66,570	9%
Cattle Rearing	10,642	8,311	9,188	11%
Cattle Other	16,115	14,560	13,893	-6%
Sheep	17,357	13,297	14,604	9%
Tillage	36,048	40,650	34,437	-15%
Weighted Average	29,474	23,333	23,934	2%

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. Dairy farms are consistently the most profitable farms. Cattle rearing (11%), Dairy (9%) and Sheep (9%) saw an increase in Family Farm Income compared to 2018 while Tillage farms (-15%) and Cattle other (-6%) saw a decrease on 2018 figures.

Family Farm income by system, 2015-2019



Source: [Teagasc National Farm Survey](#)

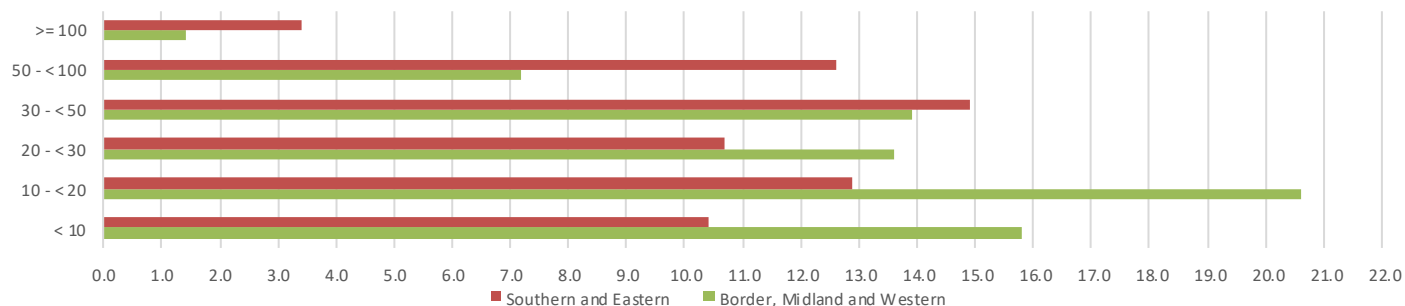


CSO Farm Structures Survey, 2016

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

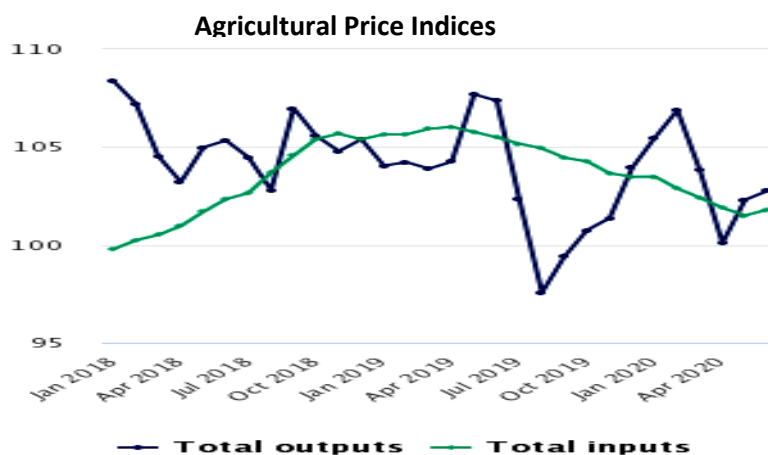
Land Prices

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

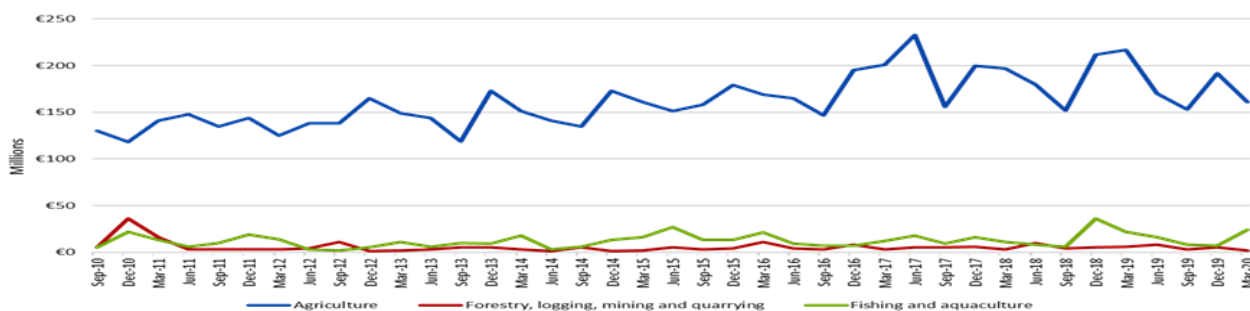
The [CSO's Agricultural Price Indices](#) measures (a) index of producer prices of agricultural products - the Output Price Index, and (b) index of purchase prices of the means of agricultural production - the Input Price Index. On an annual basis, the agricultural input price index decreased by **-3.5%** in June 2020 compared with June 2019, the agricultural output price index decreased by **-4.3%** in June 2020 compared with June 2019. Thus, the resulting terms of trade index was down **-0.8%** in this period. On a monthly basis, agricultural input price index increased by 0.2% in June 2020 compared with May 2020. The agricultural output price index increased by +0.5% in June 2020 compared with May 2020. The resulting terms of trade index was up +0.3% in this period. A further comparison of the June 2020 output sub-indices with the June 2019 sub-indices shows that wool and pigs decreased by 66% and 3.3% respectively. On the input side, the June 2020 sub-indices show that energy and fertilisers were down 12.7% and 10.7% respectively on June 2019 prices.



Source: www.cso.ie



4. Agriculture Lending



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

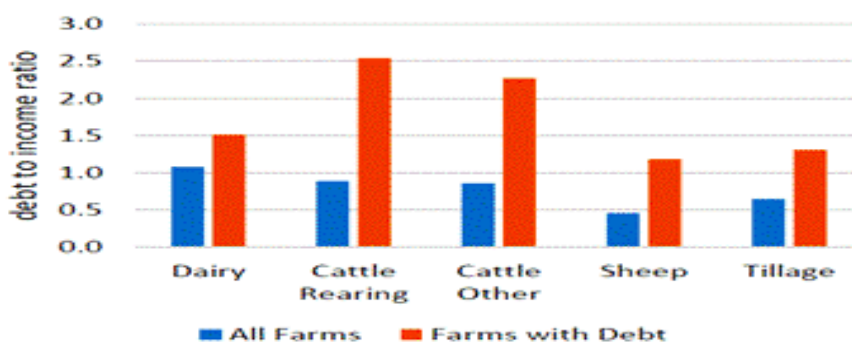
New borrowings by Agriculture, Forestry and Fisheries SMEs

New lending to the primary agriculture industries in the year to March 2020 was €749m down about 10% from a year earlier at €830m. 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 €110,000 compared to close to €30,000 for cattle and sheep farms the debt to Family Farm Income ratio on cattle farms having debt is relatively high at 2.54 for cattle rearing and 2.27 for cattle other farms compared to 1.5 for dairy farms.

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



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

Future Growth Loan Scheme

The Future Growth Loan Scheme supports strategic long-term capital investment by SMEs, farmers and fishermen and has 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 now been launched: <https://sbci.gov.ie/products/future-growth-loan-scheme#>.

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 also to help combat climate change on their farms. GLAS was launched in 2015 and supports farmers to manage lands of conservation value. To date 50,000 farmers have been issued over €745 million as part of GLAS payments. GLAS payments amounted to €213.8 million in 2019 to 47,614 farmers (98%).

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. By December 2019, almost 23,500 farmers had received €212 million in respect of BDGP payments since the inception of the scheme. BDGP payments amounted to nearly €42 million in 2019 for 22,972 recipients.