Ireland’s Strategy for a More Profitable Beef and Sheep Industry

Dr. David Beehan
Department of Agriculture, Food and Marine

ICAR 29th May 2012
Structure of Ireland’s Agriculture

- 6.9 million hectares land area
- 4.6 million hectares used for agriculture
- 139,800 farms
  - 32.7 hectares average size
- 6.6 million cattle
- 5.1 million sheep
- Grass-based production
Ireland’s Agri-Food Sector

• Largest indigenous industry
• €24 billion annual output
• €9 billion exports
• 135,000 employed
Ireland’s Beef Industry

• >60,000 beef suckler farms
• 1.1 million suckler cows
  – 17 cows average herd
• 50% of 1.1 m dairy cows bred to beef
Ireland’s Beef Industry - contd.

- 540,000 tonnes beef output
  - 85% exported at value of €1.8 billion
  - 50% to UK and 48% to continental Europe
- 200,000 live exports in 2011
  - Valued at €200m
- Total of €2 billion exports
Ireland’s Sheep Industry

- 32,000 sheep farmers
- 80% lowland and 20% hill
- 2.35 million ewes
- 53,000 tonnes sheepmeat
- 41,000 tonnes exported
  - 75% to UK and France
- €180m value of exports
Family Farm Income - 2011

- Dairying €69,617
- Suckler Beef €10,600
- Cattle Other €14,967
- Sheep €17,084
- Mixed Livestock €34,750
- Tillage €35,737

Source: Teagasc National Farm Survey 2011
Profitability

- A challenge
- Net profit per ha for the top 10% beef and sheep farmers is €473 and €481 higher than the bottom 10%
- Potential to improve profitability
- Competitiveness is key
  - Improving production and processing efficiency
Ireland’s Strategy

State and industry working in partnership

• Food Harvest 2020

• Range of State supports to Beef and Sheep Industry
Food Harvest 2020

• Published in 2010

• Industry/State 10 year strategic plan

• Vision for the agri-food industry

• Aim to improve competitiveness and growth
Food Harvest 2020 contd.

- Sets ambitious growth and export targets
- Increase value of beef and sheep output by 20%
- Beef Activation Group in 2011 increased beef target to 40%
Minister chairs High Level Implementation Group

State and industry committed to work together to achieve the targets

FH2020 sets out 215 recommendations
- Many are commercial decisions by industry
FH2020 Beef Recommendations

22 recommendations

Examples:

• DAFM and industry continue to support ICBF’s programme of genetic improvement
• Strong collaboration to ensure research outputs are applied at farm level
• Processing sector, with support of relevant State agencies, to increase value-added beef exports
FH2020 Sheep Recommendations

12 recommendations

Examples:

• DAFM and sheep sector to strongly support Sheep Ireland to develop a new breed improvement programme
• Sector to improve the uptake of new technology on farms
• Processing sector, with support of relevant State agencies, needs to embrace consumer-led product and packaging innovation to increase value-added sheep exports
State Support to Beef and Sheep Industry

- Research
- Breeding
- Data Capture
- Knowledge Exchange
- Animal Health
- Marketing
- Structural Investment
DAFM

- Operates 3 competitive research funding programmes
  - FIRM (Food Institutional Research Measure) - Food
  - Research Stimulus Fund – Agriculture Production
  - CoFoRD – Forestry
- €20 million annual investment
Agri-Food Industry Strategic Research Agendas 2011
Developed by industry led Advisory Groups
Teagasc

• Research relevant to farmers and food industry, including beef and sheep

• 2009: Suckler Beef Research Demonstration Farm

• 2011: Sheep Research Demonstration Farm
ICBF and Sheep Ireland

• Research into genetic evaluations and breeding programmes
Breeding

ICBF
Established 1998
Developed world class cattle breeding infrastructure

Sheep Ireland
Established in 2008 (operated by ICBF)
Developing infrastructure and data collection

DAFM provides funding to both and represented on governing Boards
Data Capture

DAFM

- National Cattle **Animal Identification and Movement** system (AIM) database
- Records births, movements and deaths
- Central to Ireland’s food safety/traceability
- Nightly transfer of data to ICBF free of charge
- Consent of farmer (80% beef farmers)
- Critical to building ICBF’s integrated database
Suckler Cow Welfare/Breeding Scheme

DAFM Launched in 2008

One objective: Help to address problem of low level of animal recording in beef herds

Farmer receives a payment per calf for meeting a range of welfare and breeding related conditions
Suckler Cow Animal Welfare and Breeding Scheme

Farmer records in ICBF Animal Events:
- Calf identification
- Dam and sire identification
- Calving ease, mortality, gestation length
- Calf quality and
- Docility

2011: 763,396 calves in 34,436 suckler herds recorded
Data Capture - contd.

**Slaughter Data**

Slaughter data provided via DAFM to ICBF

- animal identification
- carcase weight
- conformation/fat grades

Carcase images provided directly to ICBF
Data Capture - contd.

ICBF captures data from:

- Herdbooks
- AI organisations
- On-farm recording
  - Weights
  - Linear scoring

**National Cattle Breeding Database**
DAFM / ICBF data flows

Cattle (Beef & Dairy) Herds

Live Animal Exporters Importers

Livestock Markets

Movements

Births

Deaths

Slaughter Factories

Department of Agriculture Database (AIM)

DAFM Suckler Welfare/Breeding and BTAP Schemes

ICBF Database

Herd Books

Milk Recording

Beef Recording

Artificial Insem.

Cattle (Beef & Dairy) Herds
Data Capture - contd.

Sheep Ireland

Data from:

- Flockbooks
- Pedigree flocks
- Central Progeny Test flocks
- Maternal Lamb Producers Program
- Teagasc/UCD research flocks
Knowledge Exchange

Knowledge transfer/exchange initiatives:

• DAFM
• Teagasc
• ICBF
DAFM Beef Adoption Technology Programme

• Launched in 2012
• Provide beef farmers with knowledge to reduce costs, increase output and increase profit margins
• Incentive to participate
• €5 million available in 2012
• > 6,000 farmers have applied to join
Knowledge Exchange - contd.

DAFM Beef Adoption Technology Programme

Beef farmer required to:

• Join discussion group
• Meet regularly with professional advisor (Teagasc or Agriculture Consultant)
• Provide Animal Events data to ICBF
• Join ICBF HerdPlus
• Adopt best practice in grassland management, animal breeding, animal health/welfare and financial management
Knowledge Exchange - contd.

Teagasc

• Knowledge Transfer and Advisory Programme
• BETTER Farm Beef Programme with support from Irish Farmers Journal, Meat Industry and FBD Insurance
• BETTER Farm Sheep Programme

BETTER = Business, Environment, Technology through Training, Extension, Research
BETTER Farm Beef Programme

- Commenced 2008
- 16 selected farms
- **Aim** is to demonstrate the potential to turn efficiency of production into profit
- **Farm Plan** – breeding, grassland management and performance monitoring
- Participation in discussion group

**Gross Margin** per ha from 2008 to 2011 increased from €386 to €843
Knowledge Exchange - contd.

BETTER Farm Sheep Programme

• Commenced 2010
• 10 commercial sheep farms
• Farm Plan – breeding policy, flock management, grassland management, financial performance
• Recording of ewe and lamb performance
• Share information with other farmers
ICBF

**HerdPlus** for beef – 8,800 herds

**LambPlus** for sheep – 350 flocks

- Source of information to help farmers make better breeding decisions
- Information based on genetic evaluations and reproductive performance of herd/flock
- Information on all animals in herd/flock including comparison of herd/flock to national average
Animal Health Ireland (AHI)

- Established in 2009
- Industry led with DAFM support
- Objective of reducing negative impact of animal disease on herd efficiency
- Mandate is to pursue control strategies for important cattle diseases
Marketing

International markets crucial:

• 80% of beef and 75% sheep output exported
• Access to markets that deliver best returns
• Collaborative effort between DAFM, Bord Bia, Industry and Irish Embassies
Bord Bia (Irish Food Board)

- State Agency
- Market Development & Promotion
- Link between Irish food suppliers and existing/potential customers throughout the world
- Strategically located offices overseas (Amsterdam, Dusseldorf, London, Madrid, Milan, Moscow, New York, Paris, Shanghai and Stockholm)
Structural Investment

DAFM support to on-farm and meat processing investment

Livestock farmers

• Over €1 billion paid to about 50,000 farmers in the past 7 years
• Primarily in animal housing, silage and waste storage facilities
• Objective is to increase scale and efficiencies and comply with demanding environmental and food safety standards
Meat Processing Industry

• The Beef and Sheepmeat Investment Fund was established in 2008
• In 2009 15 capital investment projects were approved for grant assistance of €69 million
• Objective is for processing sector to upgrade and modernise their facilities, lower costs, improve efficiencies, increase employment and increase exports.
Conclusions

• Challenges to beef and sheep profitability
• Small incremental improvements across a range of factors can have a positive impact on profitability
• State working in partnership with industry has a strategy in place that affords the beef and sheep industry the opportunity to improve competitiveness at all levels of the supply chain
Thank you