

ANNUAL SCSi/TEAGASC AGRICULTURAL LAND MARKET REVIEW & OUTLOOK



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ANNUAL SCSI/ TEAGASC AGRICULTURAL LAND MARKET REVIEW & OUTLOOK

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INTRODUCTION

PRODUCTION

Annual SCSI/ Teagasc Agricultural land Market Review & Outlook



We would like to welcome you to the Society of Chartered Surveyors Ireland/ Teagasc Agricultural Land Market Review and Outlook 2020. This is the seventh in a series of annual reports on the state of the land market produced by the Society of Chartered Surveyors Ireland (SCSI) and the Agricultural Economics and Farm Surveys Department of Teagasc.

This annual SCSI/Teagasc Land Market Review and Outlook 2020 provides an in-depth analysis of key agricultural farmland market trends in 2019 and provides an outlook for 2020. The review provides insights on agricultural land values, rents and views on anticipated agricultural land market activity over the next twelve months. The review's findings are based on a SCSI survey that was conducted on a nation-wide basis in December 2019 and January of 2020. This survey was completed by members of the Society of Chartered Surveyors Ireland who are Auctioneers, Valuers and Chartered Surveyors operating in the land sales and rental market.

The price paid to purchase or rent agricultural land will be affected by a whole range of economic (and non-economic) factors. Therefore, those contemplating the sale, purchase or rental of land need to possess a good understanding of the current state of both Irish agriculture and the agricultural land market in Ireland. The report brings together the respective expertise of both the SCSI and Teagasc to increase the range and quality of the data that are available on the agricultural land market in Ireland.

The report provides a regional breakdown of sale and rental transactions for different agricultural land sizes. It also includes the views on the state of the market from members of the SCSI and commentary from Teagasc economists on the current economic situation in agriculture and the short-term economic outlook for the sector.

The UK finally left the EU at the end of January 2020 and has entered an 11-month transition period designed to allow time to agree the future relationship between the UK and EU, particularly with respect to future trading arrangements. During the transition period, there is no change to the trading regime between the UK and EU. However, at the end of this transition period, a hard Brexit remains a possibility. A hard Brexit would have adverse consequences for Irish agri-food exports to the UK,

with an associated negative impact on agriculture and the agricultural land market in Ireland from 2021 onward.

The COVID-19 pandemic, creates considerable uncertainty for global agricultural markets in 2020. It was not possible to quantify the impact of COVID19 or measures that might be taken to alleviate the impact on agriculture in advance of production of this report. Therefore we are unable to provide an updated Outlook to take account of the Covid 19 impact on the sector.

In a special section of this year's report, Chartered Surveyor Frank Harrington examines the development of land prices from 1970 to the present. The 50-year dataset of sales and rental transactions published is therefore a useful and reliable contribution to our report.

We hope that you find that this edition of the report is informative and we commend the SCSI staff, Teagasc staff, and SCSI members involved.



**Professor Gerry Boyle, Director,
*Teagasc***



**Miah McGrath, Auctioneer & Valuer,
*SCSI Rural Agency Chair***

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KEY HIGHLIGHTS

Key Highlights

2019 Values € per acre for agricultural land with a residence

CONNAUGHT / ULSTER

< 50 ACRES	7,163
50-100 ACRES	6,721
> 100 ACRES	6,416

MUNSTER

< 50 ACRES	11,852
50-100 ACRES	10,848
> 100 ACRES	9,763



LEINSTER (EXCL.DUBLIN)

< 50 ACRES	10,760
50-100 ACRES	11,554
> 100 ACRES	11,695

2019 Values € per acre for agricultural land without a residence

CONNAUGHT / ULSTER

< 50 ACRES	7,480
50-100 ACRES	6,376
> 100 ACRES	5,721

MUNSTER

< 50 ACRES	10,000
50-100 ACRES	9,832
> 100 ACRES	9,325



LEINSTER (EXCL.DUBLIN)

< 50 ACRES	10,734
50-100 ACRES	10,113
> 100 ACRES	9,826

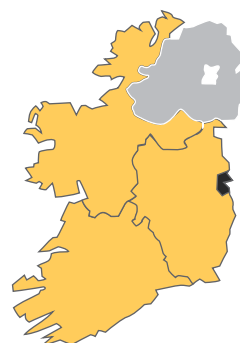
Rental values € per acre in 2019

CONNAUGHT / ULSTER

GRAZING/SILAGE	176
GRAZING ONLY	144
CEREAL CROPS	203
POTATO CROPS	273
OTHER CROPS	186

MUNSTER

GRAZING/SILAGE	207
GRAZING ONLY	200
CEREAL CROPS	227
POTATO CROPS	268
OTHER CROPS	273



LEINSTER (EXCL.DUBLIN)

GRAZING/SILAGE	183
GRAZING ONLY	170
CEREAL CROPS	210
POTATO CROPS	378
OTHER CROPS	256

2019 compared with 2018 - land without a residence (Averaged Provincial and National Data)



Connaught /Ulster

2018
€6,599
2019
€6,527
Change
-1%



Munster

2018
€10,622
2019
€9,719
Change
-9%



Leinster (excl. Dublin)

2018
€10,816
2019
€10,224
Change
-6%



National

2018
€9,346
2019
€8,823
Change
-6%

Rental value



Connaught /Ulster

	2018	2019	% change
Grazing/Silage	€160	€176	+9
Grazing Only	€141	€144	+2
Cereal Crops	€179	€203	+12
Potato Crops	€252	€273	+8
Other Crops	€183	€186	+2



Munster

	2018	2019	% change
Grazing/Silage	€198	€207	+4
Grazing Only	€182	€200	+9
Cereal Crops	€209	€227	+8
Potato Crops	€230	€268	+14
Other Crops	€268	€273	+2



Leinster (excl. Dublin)

	2018	2019	% change
Grazing/Silage	€197	€183	-8
Grazing Only	€190	€170	-12
Cereal Crops	€216	€210	-3
Potato Crops	€348	€378	+8
Other Crops	€246	€256	+4

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KEY FINDINGS

Agricultural Sector

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Agricultural Land

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Agricultural Sector

The economic performance of the Irish agricultural economy from year to year is affected by developments in input and output prices, changes in the volumes of inputs used and output produced and changes in agricultural policy relating to income support subsidies.



In 2019, the output prices for several important agricultural commodities declined significantly. On an annualised basis, the output prices for milk, beef and lamb were lower in 2019 relative to 2018. In 2019, cereal prices were much lower at harvest time relative to harvest 2018. By contrast, pig prices increased markedly in 2019 due to the decline in global supplies emerging as a result of the African Swine Fever.

Irish farmgate milk prices fell by 5.6% in 2019, primarily driven by the decline in the butter price, which was only partially offset by the recovery in protein prices. The weakness of sterling was another negative factor. Lower than anticipated growth in global production has limited the overall reduction in Irish milk prices in 2019. However, Irish milk prices drifted below the EU15 average during the key summer months of 2019. This price decline reflected the greater exposure of the industry in Ireland to falling butter prices.

In 2019, output prices for R3 finished cattle prices declined by approximately 6% and to a similar extent for weanlings. Some of this price decline can be attributed to weak consumer demand in the main export destinations. The consumption of beef and veal in the European Union is estimated to have declined by 2 percent in 2019 relative to 2018 (USDA, 2020). Lamb prices were 5.8% lower in 2019. Cereal prices also declined by about 25% to 30% due to the increase in the global harvest.

Agricultural Land

In 2019, the average per-acre price for agricultural land without a residential holding was €8,823. For land with a residential holding, the average price was €9,638. Taken together, the average per-acre price for agricultural land was €9,230.

In 2018, the equivalent prices were €9,346 (without a residential holding) and €9,579 (with a holding), with an overall average price of €9,463 per acre in 2018. These figures suggest only a very small headline change in prices over the last year, and are largely dictated by the size of the parcel of land and the presence of a residential holding.

These national prices also mask the wide variation in prices across Ireland - in Leinster, land averaged at €10,780 per acre, in Munster land averaged at €10,270 per acre and in Connaught/Ulster, the figure was €6,646. Similarly, there were variations in price depending on the size of the parcel of land for sale. For example, while land parcels of over 100 acres in Leinster increased in value by 11.5% the same type of land declined in price in Connaught/Ulster by some 13%.



“IRISH MILK PRICES DRIFTED BELOW THE EU15 AVERAGE DURING THE KEY SUMMER MONTHS OF 2019. THIS PRICE DECLINE REFLECTED THE GREATER EXPOSURE OF THE INDUSTRY IN IRELAND TO FALLING BUTTER PRICES”

IRISH AGRICULTURE SECTOR

4

RE

This section reviews the performance of Irish agriculture in 2019. There is an overview at the broad sectoral or enterprise level, followed by a focus on the key subsectors within agriculture. Due to the as yet unknown economic impact of the COVID 19 pandemic, it was not possible to include an Outlook for 2020.

Overview of Irish Agriculture in 2019

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Dairy

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Overview of Agriculture in 2019

Weather conditions in 2019 were favourable throughout most of the year. However, the situation deteriorated later in the year, with higher than average rainfall, requiring the earlier than normal housing of animals, resulting in disruption to harvest and planting activity. However, the weather in 2019 represented a major improvement on 2018, when weather conditions were extremely difficult on Irish farms.

In 2019, overall input expenditures decreased substantially for dairy, sheep and cattle finishing enterprises, largely attributable to the improved grass growing conditions and the decrease in the quantity of concentrate feed usage compared with 2018. Fertiliser and concentrate feed prices were higher in 2019 than in 2018. In 2019, prices increased for some other inputs, including labour and electricity, but decreased for bulky feed.

Output prices for milk decreased by 5.6% in 2019, with average annual prices declining to 31 cent per litre (standardised fat and protein) for the year. Irish milk production expanded by 5.3% relative to the 2018 level. In 2019, the decrease in input costs was sufficient to offset the impact of lower milk prices, with average dairy net margin per litre in 2019 increasing to an estimated 11 cent per litre. In 2019, the prices for finished cattle declined relative to the

2018 level. On cattle finishing enterprises, the introduction of the Beef Exceptional Aid Measure (BEAM) payment played a major role in offsetting the negative impact of lower prices on Gross Output. The average Gross Margin for beef finishers increased by 9% in 2019, due mainly to the introduction of the BEAM scheme and the decline in input cost expenditures.

On single suckling enterprises, the lower prices for younger cattle negatively affected Gross Output. The introduction of the Beef Environmental Efficiency Pilot (BEEP) and BEAM payments boosted Gross Margins on many single suckling farms. However, a large number of single suckling farms chose not to participate in these two schemes. Those single suckling farms, which chose not to enter these schemes are likely to have experienced a significant decline in Gross Margin in 2019 relative to 2018.



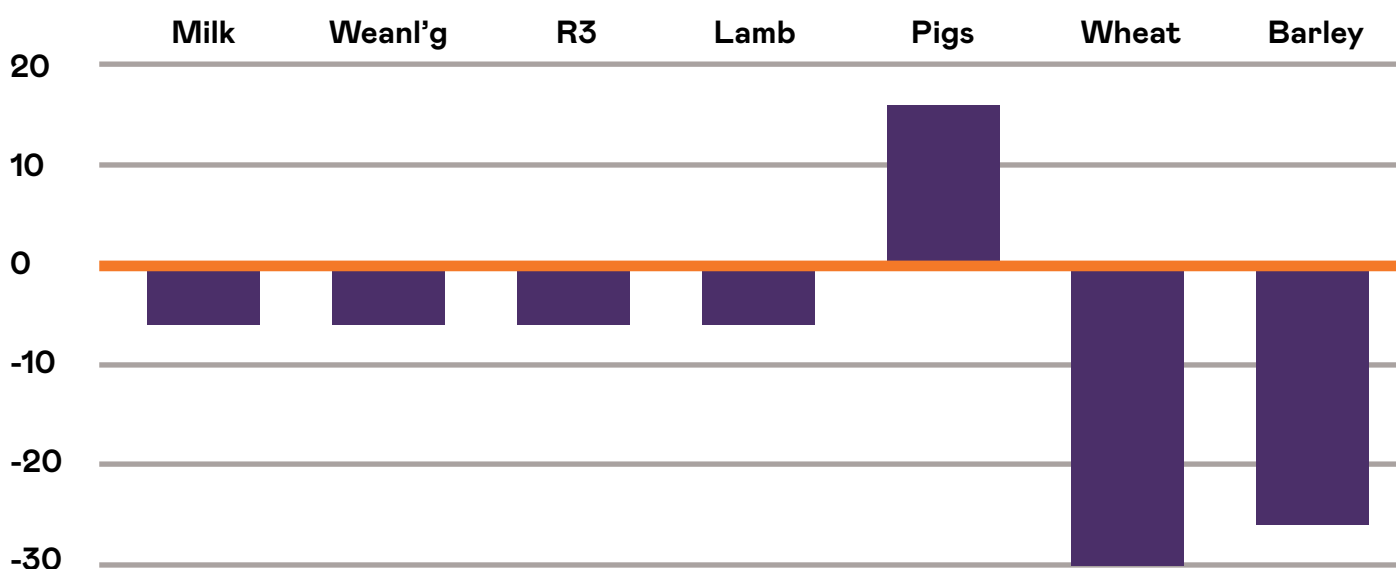
Sheep farmers saw their margins fall in 2019, with lower output prices relative to the previous year. In 2019, the decrease in feed input expenditures was insufficient to offset the negative impact of declining prices on output value. Coupled Sheep Welfare Scheme payments continued to support margins and incomes on many Irish sheep farms.

In 2019, Irish cereal yields for major crops were up on the 2018 level. The increase in global production of cereals contributed to a reduction in global and Irish cereal prices, from the relatively high prices of 2018. Cereal Direct Costs increased slightly in 2019. The net effect of the change in output value (higher yields, but lower prices) and the rise in input costs led to a reduction in the average Gross Margin for most cereal crops in 2019.

Key commodity price changes in 2019 compared with 2018 are shown in the figure below.

“OUTPUT PRICES FOR MILK DECREASED BY 5.6% IN 2019, WITH AVERAGE ANNUAL PRICES DECLINING TO 31 CENT PER LITRE FOR THE YEAR”

Change in Output Prices 2019 vs. 2018 (Source: CSO and DG Agri)



COVID-19 is a negative supply shock which will in turn lead to a negative demand shock. This shock to the economy is likely to reduce margins on all farm enterprises. At the time this report was produced, it was too early to assess the extent of that reduction in any detail.





DAIRY

Dairy farms utilise about one quarter of the grassland area in Ireland and are most prominent in the eastern half of Munster and in the southern counties of Leinster.

Milk prices decreased during the spring and summer of 2019 with some price recovery in November and December. As a result, the annual average national milk price for 2019, decreased by 6% with the price for the year as a whole estimated to be 31 cent per litre. Milk production costs are estimated to have decreased substantially in 2019 by about 11% on a per hectare basis. With the decrease in production costs per litre and the increase in milk production, it is estimated that the net margin per litre of milk produced increased by 16% to 11 cent per litre in 2019.



“WITH THE DECREASE IN
PRODUCTION COSTS PER LITRE
AND THE INCREASE IN MILK
PRODUCTION, IT IS ESTIMATED
THAT THE NET MARGIN PER
LITRE OF MILK PRODUCED
INCREASED BY 16% TO 11 CENT
PER LITRE IN 2019.”



CATTLE

Beef farming remains the largest agricultural enterprise activity in Ireland in terms of land use and farm numbers and occupies more than two thirds of the grassland area in Ireland. Teagasc reports the performance of two main beef farm enterprises (cattle rearing and cattle finishing).

In 2019, weanling prices declined by 6 percent while prices for older store cattle declined by approximately 4 percent. Finished cattle prices declined by approximately 6 percent relative to 2018. Calf prices declined significantly in 2019 with prices for both beef calves and dairy calves declining by approximately 15 percent compared with 2018.

As a result of payments made to participants in the BEAM scheme, relatively small changes are estimated for the average Gross Output value on cattle finishing farms in 2019. On single suckling farms, the BEAM and BEEP schemes helped to offset much of the decline in the market value of output. However, the BEAM scheme is estimated to have had on average a lower impact on single suckling farms relative to cattle finishing farms. This is due to the lower rate of participation in the scheme by these farmers and the lower payments per farm specialised in single suckling. The Direct Costs of production decreased for cattle farms in 2019 mainly due to lower feed usage. This decrease in the costs of production is most evident for cattle finishing enterprises.



“CALF PRICES DECLINED
SIGNIFICANTLY IN 2019 WITH
PRICES FOR BOTH BEEF CALVES
AND DAIRY CALVES DECLINING
BY APPROXIMATELY 15 PERCENT
COMPARED WITH 2018



SHEEP

Sheep production takes place on about one tenth of the grassland area in Ireland, and can also be found on the several hundred thousand hectares of commonage land in Ireland. Sheep farms are most common in counties with hilly terrain and particularly in counties along the western seaboard, where soil conditions are less favourable for other agricultural production systems.

In 2019, lamb prices in Ireland were lower than the 2018 level. Costs of production for Irish mid-season lowland lamb enterprises decreased in 2019 with significant decreases in feed volume during the first half of the year. Gross margins per hectare for Irish mid-season lowland lamb producers are estimated to have decreased in 2019, with lower lamb prices offsetting the decline in production costs. In 2019, gross margins on mid-season lowland enterprises are estimated to be €597 per hectare.



“GROSS MARGINS PER HECTARE
FOR IRISH MID-SEASON LOWLAND
LAMB PRODUCERS ARE
ESTIMATED TO HAVE DECREASED
IN 2019, WITH LOWER LAMB
PRICES OFFSETTING THE DECLINE
IN PRODUCTION COSTS.



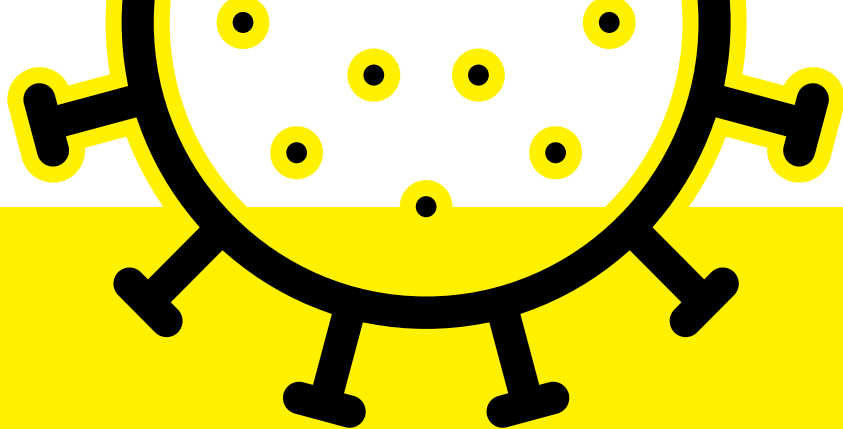
CEREALS

Tillage production is limited to about 7% of the agricultural land base in Ireland and is most commonly found in mid and south Leinster and east Munster.

An increase in international wheat and barley production across the key growing regions of the world, and a consequent increase in ending stocks in the EU, led to a decrease in cereal prices at harvest 2019, with Irish harvest prices decreasing by between 20 and 30 percent. However, in 2019 there was an increase in yields of the main cereal crops in Ireland. Irish spring barley yields increased by over 30 percent on a per hectare basis, while winter wheat yields increased by 9 percent per hectare, compared to 2018. Direct costs of production on Irish cereal farms increased slightly in 2019 compared to 2018. The largest increases were for seed and fertiliser at 12 and 8 percent respectively.

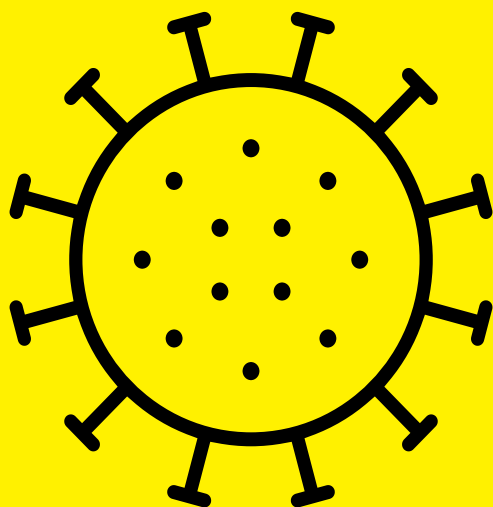


“DIRECT COSTS OF
PRODUCTION ON IRISH
CEREAL FARMS INCREASED
SLIGHTLY IN 2019 COMPARED
TO 2018. THE LARGEST
INCREASES WERE FOR SEED
AND FERTILISER AT 12 AND 8
PERCENT RESPECTIVELY. ”



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COVID-19



“THE DEVELOPMENT OF THE COVID-19 CRISIS GLOBALLY IS IMPOSSIBLE TO PREDICT ACCURATELY”

The currently ongoing Covid-19 virus crisis was not foreseen when the Teagasc Situation and Outlook forecasts were produced in late 2019.

The development of the Covid-19 crisis globally is impossible to predict accurately, as is its impact on economic activity.

At least in the short term, the crisis will have a negative impact on economic growth and this economic impact will extend as the duration of the pandemic extends.

Weaker global economic growth rates, as a result of the Covid-19 crisis, would be expected to negatively affect the outlook for Irish agriculture. It is not possible to determine the extent of that negative impact.

Given that agriculture is associated with food production and given that food is essential to our existence, the adverse impact on agriculture should be a lot less than for many other economic sectors.

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SPECIAL FEATURE

Land market dataset

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Land market dataset

There have been many commentaries on the Irish agricultural land market, but regrettably for those of us interested in it there have been limited reliable data to test our theories. Given the importance of agriculture to the Irish economy and society, it is surprising how little reliable primary data exists about the Irish agricultural land market. To help address this lack of data the Society of Chartered Surveyors Ireland (SCSI) and Teagasc are publishing a 50-year dataset (see section 9: Statistical Annex) of agricultural land sales and rentals to complement the SCSI member survey data.

Smith Harrington Data Series

These newly available data come from the records of Smith Harrington. Smith Harrington is a firm of Chartered Surveyors and Estate Agents founded in 1870 in County Meath. The Smith Harrington records contain sale and rental transactional data from 1870 to 2019. In this report a 50 year subset of this sales and rental transactional dataset (1970-2019) is published.

The data are presented in nominal terms on a euro rate per acre basis. When collating these data, several steps were taken to ensure a degree of validity and accuracy¹. The overall Smith Harrington dataset currently comprises 55,692 transactions before exclusions. This number is made up of 1,286 land sales and 54,406 rentals. Transactions occurred primarily in Meath and surrounding counties. The correspondence of the Smith Harrington dataset with the only other comparable and published dataset, the William B. Fitt dataset (a Limerick based firm that ceased trading in 1986) was undertaken. The period over which a correlation coefficient was calculated between the Smith Harrington and William B Fitt average price series was the period 1940-86. These two agricultural land transaction datasets were compiled independently of each other by estate agents (William B. Fitt and Smith Harrington respectively) from different sides of the country (Mid West and North East). Similar methodologies were used to compile the data by the two practices. For example, plots of land under 5 acres were excluded to minimise the influence of premium occurring due to site value. It should be noted that transactions with hope value for development and residential farms were excluded from the Smith Harrington series. The rationale for all exclusions was to present a series that reflected agricultural land prices.

Reliability

The analysis of the datasets demonstrated a strong positive correlation of 97.4% for the data from each firm. This was a reassuring result, given that (1) no two parcels of land are homogeneous and (2) the locations were different.

The only other long run series of agricultural land data that exists is the CSO/Eurostat series that commenced in 1979 and was discontinued in 2005. When the Smith Harrington data was correlated against this data series it produced a 96.4% positive correlation further strengthening the validity of the series. These results are encouraging and strongly support the validity of the Smith Harrington dataset. While these are simple tests that cover only part of the report period² they indicate that the Smith Harrington dataset is representative of trends in the Irish agricultural land market.

Potential applications

This 50-year data set of sale and rental transactions is presented for the benefit of SCSI members, researchers and the general public. It should assist Chartered Rural Practice Surveyors and Registered Valuers to inform their opinions of value and help researchers test theories. Although this data series has several useful purposes it should not be relied on in isolation for the valuation of specific properties.

There are many research hypotheses that could be explored from the publication of these data. For example, the impact of the 'Celtic Tiger', Ireland's accession to the EU, CAP, Brexit and COVID-19 on the Irish agricultural land market. An initial study on the relationship between agricultural land sales and rentals is currently underway.

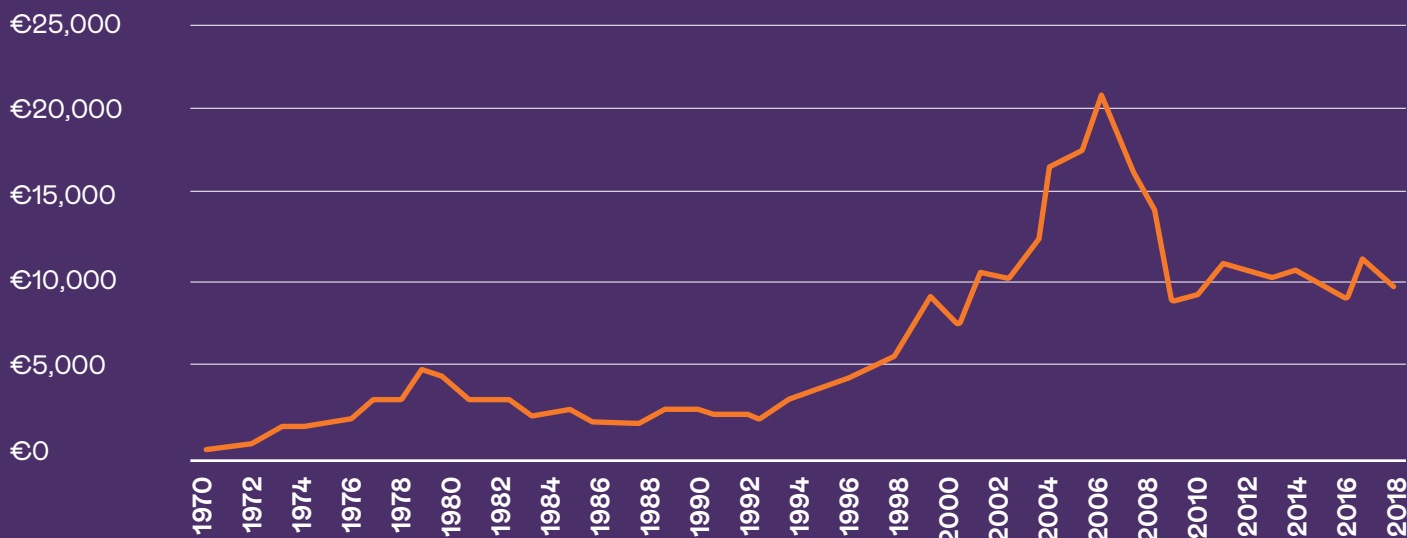
The addition of a long run transactional database to our existing survey data builds on the contributions of previous researchers and will assist the development of theory and provide more reliable evidence based opinions in the future.

¹Further information on the validity and accuracy measures undertaken in the compilation of this dataset may be obtained from the author.

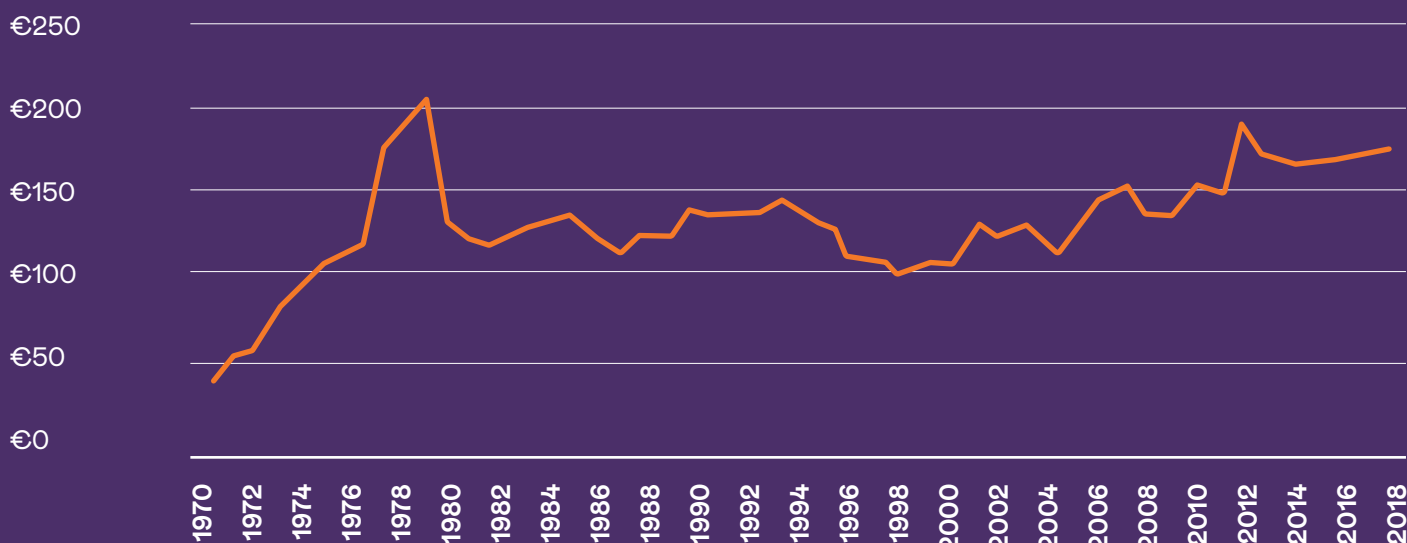
²1940-1986 and 1979-2005 respectively.



SMITH HARRINGTON AGRICULTURAL LAND SALES PRICE DATABASE 1970-2019 (€ RATE PER ACRE)



SMITH HARRINGTON AGRICULTURAL LAND RENTAL PRICE DATABASE RATE PER ACRE (€)



Acknowledgements

The author would like to thank his colleagues at Smith Harrington and TU Dublin, Dr. Paul Kelly, Dr. Joanna Poon, and Teagasc for their input in the compilation of this series.

The data for both charts are included in the Appendix to this report.

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LAND MARKET SURVEY

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Overview of research

The SCSI/Teagasc Land Market Review of 2019 and Outlook for 2020 is based on the responses to a survey of SCSI members working in the agricultural land sector. A total of 163 responses were received, of which approximately 50% work primarily in Leinster (excluding Dublin), 30% work in Munster and 20% work in Connaught/Ulster.

SCSI members were able to complete the survey online in December 2019 and early-January 2020. In February 2020, semi-structured telephone interviews were carried out with SCSI members working in different regions of Ireland. Interviewees were asked for their own experiences of the agricultural land market in 2019, their workload and professional views of the profile of active buyers, sellers and renters.

During these interviews, SCSI members were also asked about their views on the year ahead, particularly economic, policy or societal issues which may influence the Irish

agricultural land market in the region in which they work. Thus, this report is based on quantitative data from SCSI members as well as qualitative opinions of agents across Ireland.

Quotes from these interviews are included in this report, to contextualise and support the data collected from the survey.

This report is structured in two parts: A review of the agricultural land market in 2019 and an outlook for the sector in 2020.



A reflection on 2019

ACTIVITY

How the following changed by region in 2019 compared to 2018?

(% of respondents. Total = 100%)		Rest of Leinster	Munster	Connaught / Ulster	National
The volume of agricultural farmland you SOLD	Increased	28	30	28	29
	Stayed the same	43	42	48	47
	Decreased	20	11	20	17
	Don't know	9	7	4	7
The volume of agricultural farmland you Leased	Increased	28	19	20	23
	Stayed the same	46	67	64	56
	Decreased	9	4	8	7
	Don't know	17	11	8	13
The total number of agricultural farmland Valuations	Increased	46	41	24	38
	Stayed the same	37	52	56	46
	Decreased	13	4	12	10
	Don't know	4	4	8	5
The number of valuations of agricultural farmland providing for the inter-generational transfer of land	Increased	28	33	24	29
	Stayed the same	54	48	56	53
	Decreased	7	11	16	10
	Don't know	11	7	4	8

All numbers may not add to 100 due to rounding

It was notable from the responses to the survey that the volume of sales in 2019 was generally consistent with the volume of sales in the previous year. Roughly 47% of agents believed the number of transactions was the same as 2018, however over a quarter (28%) saw an increase in transactions and 17% saw a decline in the volume of transactions.

It was noted by one interviewee that the workload of agents working in the sector is multi-annual, with instructions received in one year not closing until the following:

“There can often be long legal delays in probate sales, so while we had a very busy 2019, many of these transactions should have happened in 2018.” (Agent from Leinster)

In terms of leases, only around 7% of agents saw a decline in the volume of leases, and almost 60% reported the volume of leases to be the same as in the previous year.

What was notable was the increase in the number of valuations undertaken in 2019 compared to the previous year. In Munster and Leinster, around 29% of agents reported an increase in the number of transactions, while in Connaught/Ulster only 28% experienced an increase.

Across Ireland (excluding Dublin), 37% of agents stated that the number of valuations had either increased or remained the same compared to 2018. Only 4% of agents in Munster saw a decrease in valuation activity compared to an average of 10%.

There was also very little change in the number of valuations undertaken for the inter-generational transfer of land. Around 28% saw an increase in activity, but 53% saw no change compared to the previous year.

“IN THE WEST, THE ECONOMIC RECOVERY HAS BEEN SLOWER, SO IT WILL TAKE A COUPLE OF YEARS BEFORE WE SEE THE TYPE OF RECOVERY ALREADY HAPPENING IN THE EAST COAST”

(Agent from Connaught)

Changes in leasing farmland in 2019 compared to 2018

(% of respondents. Total = 100%)		Rest of Leinster	Munster	Connaught / Ulster	National
The demand for long-term leases (i.e. leases exceeding 5 years)	Increased	57	58	56	57
	Remained the same	30	31	40	33
	Decreased	0	4	0	1
	Don't know / not sure	14	8	4	9
The average duration of lease agreements	Increased	32	58	32	40
	Remained the same	52	35	60	49
	Decreased	2	0	0	1
	Don't know / not sure	14	8	8	10

All numbers may not add to 100 due to rounding

The demand for long-term leases increased across Ireland. 56% reported increased demand and only 1% (none in Leinster or Connaught/Ulster) reporting a decrease in demand for long-term leases. In terms of lease length, Munster saw the greatest increase in lease-length, with 58% reporting increases compared to 32% in the rest of the country. There was very little evidence of leases lengths shortening in 2019 compared to 2018.

“I THINK LEASES ARE LENGTHENING BECAUSE IT’S A SAFER OPTION THAN TO BUY LAND, ESPECIALLY IF IT’S DIFFICULT TO RAISE CAPITAL FOR BUYING FARMLAND. LAND DOES NOT BECOME AVAILABLE OFTEN, SO IF IT’S A CHOICE BETWEEN BUYING, RENTING OR MISSING OUT, PEOPLE WILL TAKE LONGER LEASE INTERESTS.”

(Agent from Leinster)

Conacre (12 month lets) - area let relative to 2018

(% of respondents. Total = 100%)		Rest of Leinster	Munster	Connaught / Ulster	National
The demand for long-term leases (i.e. leases exceeding 5 years)	Increased	9	4	4	6
	Remained the same	56	62	68	60
	Decreased	27	23	20	24
	Don't know / not sure	9	12	8	9

All numbers may not add to 100 due to rounding

The total area of land let in conacre remained static in 2019. 6% of agents nationwide experienced an increase in the overall letting of conacre (the letting of land for less than 12 months) activity in 2019 compared to the previous years; nationally, 60% experienced no change in the volume of lettings, while 24% experienced a decline in conacre letting in 2019.



Active sellers of agricultural land in 2019

(% of respondents. Total = 100%)		Rest of Leinster	Munster	Connaught / Ulster	National
A farmer who is no longer interested in or who has retired from farming	Very active	15	8	8	11
	Somewhat active	65	65	63	65
	Rarely / never active	20	27	29	24
A farmer who is continuing to farm but who has decided to sell a portion of his farm	Very active	13	0	8	8.16
	Somewhat active	41	41	40	41
	Rarely / never active	46	59	52	51
A land owner who has inherited land but who has no desire to farm the land	Very active	20	11	24	18
	Somewhat active	59	59	64	60
	Rarely / never active	22	30	12	21
An investor	Very active	9	7	0	6
	Somewhat active	27	26	13	23
	Rarely / never active	64	67	88	71
A financial institution	Very active	7	7	8	7
	Somewhat active	48	42	21	42
	Rarely / never active	46	41	71	51
A developer	Very active	9	4	0	5
	Somewhat active	24	24	14	21
	Rarely / never active	67	72	86	73
An executor/probate sale	Very active	30	38	52	38
	Somewhat active	61	58	40	55
	Rarely / never active	9	4	8	7
Others	Very active	7	9	6	7
	Somewhat active	45	36	24	37
	Rarely / never active	48	55	71	56

All numbers may not add to 100 due to rounding

Agents were asked to describe the activity levels of different types of seller in 2019. This included existing farmers who had decided to retire or reduce their holdings, or farmers who had inherited land but did not wish to farm it. Other categories of seller included investors, financial institutions or developers. Sellers also included executor or probate sales.

“Landowners generally only sell if absolutely necessary. Owners might lease out land if they want to cut back on their farming activity, but we only see sales when it’s the only option and there’s nobody in the next generation to take over.”

(agent from Leinster).

With respect to existing farmers who wished to retire or who no longer had an interest in farming, only 11% of agents reported that they were very active in 2019. The bulk of agents – around two-thirds - believed this category of seller to be somewhat active, and a quarter believed them to be rarely or never active. This was consistent around the country and is roughly in line with the activity levels seen in previous years.

There were lower levels of selling activity by farmers who wished to sell a portion of their land in 2019. In Munster, no agents believed this type of seller was very active and only 8% of agents in the west of Ireland saw significant activity by this type of seller. Almost 50% of agents to the survey across Ireland believed them to be rarely or never active, and approximately 40% experienced them as somewhat active.

This reflects the comments from agents who believed that there was greater activity from buyers who were currently farming and wished to buy smaller, neighbouring parcels of land to consolidate their existing farms, and little activity from new farmers who wanted to buy a completely new farm.

“We have seen some international buyers – a farmer from South Africa and another from France – who wanted to buy complete farms, but consolidation of existing farms is the main activity”

– Agent from Leinster

Outside of farmers, agents were also asked about the selling activity of other land-owners, including investors, developers and financial institutions. It was notable how consistent responses were across Ireland, with very few agents reporting significant levels of selling activity by these groups. Indeed, only around 5% of agents noted that they were very active in 2019, with 70% of agents stating that investors and 73% reporting that developers were rarely or never active in selling land in 2019.

“there’s not much coming available to lease, and we are seeing huge demand from commercial forestry. It’s an investment class which is performing very strongly. Forestry companies are chasing land and they’re actively looking for land to plant forestry – they have the money and in many cases, they can outbid farmers who are looking to buy the same land. With beef prices low and tax breaks for forestry, I think this pattern will continue.”

Around 40% of agents stated that financial institutions were somewhat active in selling land in 2019 with the greatest volume of activity in Leinster and Munster.

“INVESTORS WANT A SECURE RETURN ON INVESTMENT, SO THEY’RE ONLY INTERESTED IN GOOD CLASS LAND WHICH HAS BEEN LOOKED AFTER – A BIG, DECENT DAIRY FARM IS MORE ATTRACTIVE TO AN INVESTOR THAN A SMALL PARCEL OF LAND. SO INVESTOR ACTIVITY IS VERY MUCH GEOGRAPHY-SPECIFIC.”

(Agent from Leinster).

Proportion (%) of agricultural farmland transactions your firm sold in your region in 2019 included an associated CAP payment entitlement as part of the sale

(% transactions)	Rest of Leinster	Munster	Connaught / Ulster	National
	14%	20%	9%	15%

15% of transactions of agricultural land in 2019 had an associated CAP payment entitlement, although there was significant regional variation. In Munster, some 20% of transactions included a CAP entitlement, but this was only 8.9% in Connaught/Ulster.



Active landlords in leasing agricultural land in 2019

(% of respondents. Total = 100%)		Rest of Leinster	Munster	Connaught / Ulster	National
A farmer who is no longer interested in or who has retired from farming	Very active	20	32	20	23
	Somewhat active	73	40	56	59
	Rarely / never active	8	28	24	18
A farmer who is continuing to farm but who has decided to lease a portion of his farm	Very active	5	4	4	4
	Somewhat active	50	40	38	45
	Rarely / never active	45	56	58	52
A land owner who has inherited land but who has no desire to farm the land	Very active	20	19	36	24
	Somewhat active	68	67	48	62
	Rarely / never active	13	14	16	14
Others	Very active	6	10	0	6
	Somewhat active	38	35	18	32
	Rarely / never active	56	55	89	62

All numbers may not add to 100 due to rounding

The most active source of sales in 2019 was from executor or probate sales. Some 92% of agents noted that this type of sale was very active or somewhat active in 2019, with less than 10% stating that there was little or no activity in 2019.

“PROBATE SALES ARE A FAIRLY CONSISTENT PART OF BUSINESS, ESPECIALLY AS THE PROFILE OF SOME SMALLER FARMERS CAN BE OLDER AND WHERE THERE IS NOBODY WITHIN THE FAMILY TO TAKE OVER THE LAND.”

(Agent from Munster).

Land prices and size of parcel

The average price per acre for farmland sales with no entitlements in 2019

(value in euro)		Rest of Leinster	Munster	Connaught / Ulster	National
With a residential holding	Up to 50 acres	€10,760	€11,852	€7,163	€9,925
	50-100 acres	€11,554	€10,848	€6,721	€9,708
	100+ acres	€11,695	€9,763	€6,416	€9,291

The price of agricultural land per acre is dependent on the size of the parcel and whether there is a residence as part of the sale. In general terms, land was more valuable on the east coast of Ireland than the west coast. In Leinster, land varied in value between €9,826 and €11,695 depending on its size and whether there was a residence on it. In Munster, the range varied between €9,325 and €11,852, and in Connaught/Ulster, the range was between €5,721 and €7,480.

Nationally, land prices varied in 2019 between €9,104 (for land parcels of more than 100 acres without a residential holding to €10,782 (for land parcels of below 100 acres without a residential holding).

“Beef prices are having an impact on the value of land. We are not seeing as much demand to take on new land for cattle. This would have driven prices in the past, but the last couple of years has been quiet because of beef.”

For parcels of land smaller than 50 acres, the average price value varies between €7,480 in Connaught/Ulster where the land does not have a residence to €11,852 in Munster for land with a residence. This is a very broad spread in values, and is consistent with the spread in values observed in previous years.

“I’ve sold land at much higher and lower prices than the average. Issues like road-frontage, rights of way, the orientation of the land, access to neighbouring fields makes a huge difference to the sale price.”

For small parcels of land (below 50 acres), the presence of a property makes very little difference to the value of the land.

“For small plots, farmers are looking to consolidate their existing holding. They probably already have a house and farm buildings, so it’s the location of the land compared to where they currently operate which is important to them rather than whether there’s a house there.”

For larger plots of land, in very general terms, the larger the plot of land, the lower the per-acre value. This again repeats patterns seen in previous years. On average, land in parcels of more than 100 acres was approximately €500 per acre less expensive than on parcels between 50 and 100 acres. In Munster and Connaught/Ulster, the presence of a residence made very little difference to the per acre value of the land in larger parcels of more than 100 acres. However, in Leinster, the per acre value is almost €2,000 less where there is no residence.

The average price per acre for farmland sales with no entitlements in 2019

(value in euro)		Rest of Leinster	Munster	Connaught / Ulster	National
Without a residential holding	Up to 50 acres	€10,734	€10,000	€7,480	€6,405
	50-100 acres	€10,113	€9,832	€6,376	€8,774
	100+ acres	€9,826	€9,325	€5,721	€8,290

Land values fluctuated significantly between 2018 and 2019. Agents in Leinster reported a decline in prices for smaller parcels of land in the region of 11% to 20% depending on whether there was a premises on the land. There was little change in prices for parcels of land between 50 acres and 100 acres, increases were seen for the price of land in parcels of above 100 acres.

In Munster, land with a residence increased in value in 2019 by around 6% overall, with prices rising faster in smaller parcels. This is the inverse of the trend seen in Leinster. Prices fell in Munster for land without a residence by around 10%.

In Connaught/Ulster, there was wider variation in prices. Prices declined for larger parcels of land, but increased for smaller parcels, below 50 acres.

However, as one agent in Connaught noted, the variation in price can be dependent on many different issues and it is difficult to chart an average for land which is transacted so rarely:

“IT IS TOTALLY DEPENDENT ON WHO IS BIDDING AND THE SCARCITY OF THE LAND. IN SOME AREAS, THERE’S STRONG COMPETITION FROM NEIGHBOURING FARMERS WHILE IN OTHERS, ONLY ONE PERSON IS INTERESTED.”

Rents in 2019

Average € per acre for the RENTAL of agricultural farmland.

(value in euro)	Rest of Leinster	Munster	Connaught / Ulster	National
Grazing / meadowing / silage	€183	€207	€176	€190
Grazing only	€170	€200	€144	€173
Cereal crops (e.g. wheat, barley, oats)	€210	€227	€203	€213
Potato crops	€378	€268	€273	€335
Other crops such as sugar beet, maize and beans	€256	€239	€186	€241

Agents were asked for the average rent per acre of land for different land uses. For grazing Respondents were asked for the average rent per acre of land for different land uses. For grazing and the main cereal crops, rents were highest in Munster, followed by Leinster with rent prices lowest in Connaught/Ulster. In Leinster, the per-acre rent varied between €170 for grazing and €378 for potatoes. This followed a similar pattern in Munster and Connaught/Ulster where rents were highest for potato crops and lowest for grazing.

Like sales prices, rents also fluctuated widely during 2019. There were increased rents for potato, root crops/maize and pulses in all regions of the country, but while grazing, silage and meadowing, and cereal crop land increased in Munster and Connaught/Ulster, they declined significantly in Leinster, falling back to 2016 levels.

“land changes hands very rarely – I think the average piece of land is sold in Ireland every 400 years – but land can be rented out frequently. It’s a safer option for both the landowner and the tenant, and cheaper too. We haven’t seen as much land for rent in 2019 as the last few years. During the recession, farmers were looking for rental income but I think that’s stopped now. I think the amount of land for rent will probably fall as lease lengths increase.”

Rents of land for potatoes varied between €268 in Munster and €378 per acre in Leinster, but as agents interviewed for this report noted, the exact rent for a particular parcel of land may be dependent on the quality of the land, the price of the crop grown and the scarcity of alternative land to rent.

The effect of Brexit

The effect that Brexit is having on the following actors in the land market

(% of respondents. Total = 100%)		Rest of Leinster	Munster	Connaught / Ulster	National
Sellers	encouraging	13	19	4	12
	detering	60	67	64	63
	no effect	27	15	32	25
Buyers	encouraging	9	3.7	4	6
	detering	70	78	76	74
	no effect	22	19	20	20
Landowners letting land	encouraging	14	7	12	12
	detering	24	33	28	28
	no effect	62	60	60	61
Renters of land	encouraging	0	7	4	3
	detering	37	41	36	38
	no effect	63	52	60	59

All numbers may not add to 100 due to rounding

Agents were asked their opinion on the impact of Brexit on the agricultural land sector in 2019, as they were in the survey for 2018.

The overall view was that it was deterring activity by both vendors and purchasers, as well as for landlords in leasing land. Across Ireland, approximately 63% of respondents believed that Brexit had deterred sellers in 2019, and approximately 75% believed it was deterring buyers.

This is an interesting result, and confirms findings elsewhere in the report, as it suggests there are other issues affecting a decision to sell (such as retirement, financial issues) aside from Brexit, but the issue of Brexit is still having an impact on whether to buy land. As one agent noted, any trade deal between the UK and the EU will determine the price of agricultural products and therefore the income stream for farmers. It is likely that

purchaser confidence in making a decision to buy more land will be halted until the final Brexit deal is announced.

"I think 2019 was the last normal year and what happens in 2020 will depend on Brexit. If there's a deal following trade negotiations, we will see some more activity because farmers will invest again. But if there's no deal, where will the food go if not to the UK? It'll mean a different business model for farmers which may take time to work through."

Around 60% of agents believed that Brexit had no impact on renters of land in 2019. Again, this confirms other findings that many renters are opportunistically taking on the lease of parcels of land to consolidate their existing holdings, and feel more confident in taking on a lease than making a decision to purchase during such uncertainty.

Stamp Duty

In your opinion did the withdrawal of stamp duty relief on sales of land by farmers to non-family members affect the volume of agricultural land offered for sale in 2019

(% of respondents. Total = 100%)	Rest of Leinster	Munster	Connaught / Ulster	National
Increased	3	4	4	3
Remained the same	52	46	28	44
Decreased	30	27	36	31
Don't know / not sure	16	23	32	22

All numbers may not add to 100 due to rounding

Agents were asked how the withdrawal of stamp duty relief on sales of land by farmers to non-family members had affected the volume of agricultural land offered for sale. 30% of agents believed that it had decreased the volume of land for sale. In Leinster and Munster, around half of agents said it had had no impact in 2019, while in Connaught/Ulster, only 28% believed it had had no impact and 36% believed it has decreased the volume of land for sale.

It was noteworthy that some 22% said they didn't know or weren't sure what impact it had had on the sector. This question had the largest number of "don't know/not sure" responses, suggesting it is not an issue with which agents were directly dealing with in 2019.

"STAMP DUTY ON FARMING LAND HAS CERTAINLY SLOWED THINGS DOWN. I DON'T THINK THE GOVERNMENT REALISED THE IMPACT IT WOULD HAVE. HAVING TO RAISE FINANCE TO PAY THE STAMP DUTY DEPRESSES THE MARKET AND STOPS SOME SMALLER FARMERS FROM TAKING ON ADDITIONAL LAND AND GROW THEIR FARMS."

Tax relief and long-term leases

What impact did tax relief for long-term leasing of land introduced in Budget 2016, have on the volume of transactions for agricultural farmland with long-term leases during 2019?

(% of respondents. Total = 100%)	Rest of Leinster	Munster	Connaught / Ulster	National
Significant impact	34	31	16	28
Moderate impact	45	46	44	45
Little or no impact	7	4	28	12
Don't know / not sure	14	19	12	15

All numbers may not add to 100 due to rounding

As with previous years, agents were asked for their opinion on the introduction of tax-relief for long-term leases of agricultural land to non-family members in Budget 2016, and particularly its impact on the volume of transactions for agricultural farmland with long-term leases during 2019.

In Leinster and Munster, around two-thirds of agents said it had had a significant impact on the volume of long-term lease transactions. Notably, only 16% of respondents in Connaught-Ulster reported a significant impact.

AS ONE RESPONDENT IN CONNAUGHT NOTED: "THERE IS A BIG DEMAND FOR LEASES, AND THE LEASE LENGTHS ARE LENGTHENING BUT THAT IS DUE TO THE DEMAND FROM TENANTS FOR MORE CERTAINTY THAN BECAUSE OF THE TAX RELIEFS FOR THE LANDLORD. I DON'T THINK IT HAS MUCH IMPACT BUT IS MAYBE PUSHING LEASES ABOVE THE FIVE-YEAR RULE."

Expectations for 2020

The results of this survey was pre Covid-19 and at the time of writing of our report it was not possible to predict the impact that the Global virus will have on the agricultural land market. Therefore, the Outlook is provided without taking into account the impact of Covid 19 on values.

Agents were asked for their views on the year ahead, both in terms of land for purchase and to lease, and the activity levels of those buying, selling and leasing land in 2020.

PRICES, RENTS AND AVAILABILITY OF LAND

In your opinion, what will be the (+/-) percentage change in AVERAGE VALUES for farmland in your region in 2020 when compared to 2019?

(% change)	Rest of Leinster	Munster	Connaught / Ulster	National
	-1%	-1%	1%	-1%

In your opinion, what will be the (+/-) percentage change in average rents for agricultural farmland in your region in 2020 when compared to 2019?

(% change)	Rest of Leinster	Munster	Connaught / Ulster	National
	1	1	2	1

Nationally, respondents expect land prices to decline by 1% in 2020 compared to 2019. In Leinster and Munster, prices are expected to decrease by 1% from 2019, and in Connaught/Ulster, prices are likely to increase by 1%. Rents are forecast to increase nationally by approximately 1% nationwide.

What is the forecast % change in your region for each of the following for 2020 relative to 2019

(% change)	Rest of Leinster	Munster	Connaught / Ulster	National
Total acreage for sale	2	1	2	2
Number of transactions	2	3	2	2
Total acreage for let	2	3	4	3
Number of letting transactions	2	3	3	2

The total acreage for sale in 2020 is likely to increase by 2% in 2020 according to agents, with uniform increases in available land across the country. Likewise, agents expect the volume of sales to increase by the same amount (approx. 2% in 2020. In terms of leases, the total acreage to rent in 2020 is forecast to increase by 3%, with slightly greater availability in the west of Ireland. Agents in the west of Ireland expect the number of letting transactions to increase by 3% compared to a more modest increase in Leinster of 2%.

Would you say that in 2020 the volume of agricultural farmland for LEASE in your region is likely to ...

(% of respondents. Total = 100%)	Rest of Leinster	Munster	Connaught / Ulster	National
Increase	39	31	32	35
Remain the same	41	50	64	49
Decrease	9	8	0	6
Don't know / not sure	11	12	4	9

All numbers may not add to 100 due to rounding

Approximately one-third of agents expect the availability of land for lease to increase in 2020, while half expect there to be no change in the availability of land.

ACTIVITY

Agents were asked about expected activity levels of different categories of purchasers and tenants. In terms of dairy farmers, agents did not expect to see a significant increase in the demand for purchasing farmland in 2020. The vast

majority in all regions of Ireland expect to see moderate increases or little or no change. Very few expect to see a decrease in 2020, although some 15% of agents in Munster do forecast a decrease in this type of purchaser.

Do you expect demand from dairy farmers to PURCHASE agricultural farmland in your region during 2020 to...?

(% change)	Rest of Leinster	Munster	Connaught / Ulster	National
(% of respondents. Total = 100%)	Rest of Leinster	Munster	Connaught / Ulster	
Significantly increase	0	0	12	3
Moderate increase	57	54	40	52
Little or no change	34	23	36	32
Decrease	5	15	0	6
Don't know / not sure	5	8	12	7

There was more significant regional variation in expectations for dairy farmers to lease land in 2020. In Leinster and Connaught/Ulster, 16% of agents expect a significant increase,

while in Munster, zero agents expect a significant increase. Across Ireland, 51% of agents expected a moderate increase.

Do you expect demand from dairy farmers to LEASE agricultural farmland in your region during 2020 to...?

(% of respondents. Total = 100%)	Rest of Leinster	Munster	Connaught / Ulster	National
Significantly increase	16	0	16	12
Moderate increase	64	58	44	47
Little or no change	16	27	32	23
Decrease	0	8	0	2
Don't know / not sure	5	8	8	6

All numbers may not add to 100 due to rounding

By far the most active purchasers in 2020 are likely to be dairy and tillage farmers, while a large number of agents expect purchasing activity to come from investors and the equine industry in 2020.

8% in Munster – and zero in Leinster and Connaught/Ulster expect to see a decrease in rental activity by dairy farmers in 2020.

In your experience, the principal types of farmers seeking to buy agricultural farmland in your region in 2020 are likely to be: tick all that apply

(number of respondents who selected each option)		Rest of Leinster	Munster	Connaught / Ulster	National
(Respondents could select more than one option)	Dairy farmers	42	25	22	89
	Tillage farmers	41	25	18	84
	Dry stock farmers	41	25	22	88
	Other (please specify)	27	20	16	63

Agents reported an increase in investment activity from forestry investment, especially in the west of Ireland. This is a trend which began in 2016 and which has escalated into 2019 and is expected to increase into 2020. It was notable that fewer agents reported forestry activity in the east of the country, where there has been a greater amount of activity amongst part-time farmers or tourism/agriculture.

“BANKS WILL LEND TO DAIRY FARMERS BUT NOT FOR BEEF. THE BANKS ARE STILL CAUTIOUS, AND IN OUR PART OF IRELAND, WE ARE STILL GETTING OVER THE CRASH. AGRICULTURE TAKES A LONG TIME TO RECOVER”



BALLINABARNEY LONGWOOD

 28 acres

 Sold by REA TE Potterton Auctioneers

€360,000



PRUMPLESTOWN HOUSE, CASTLEDERMOT, CO KILDARE



Residential Farm of approximately 298 acres (120.6 ha)



Sold by Joint Agents, Colliers
International & REA Dawson

————— €4,870,000



NEWPARK HOUSE, BALLY SAX, THE CURRAGH, CO. KILDARE



180 acres (72.85 ha)




Sold Jordan Auctioneers

€3.2M

Newpark House, Ballysax, The Curragh, Co. Kildare -
Superb residential farm with period residence, gate lodge,
cottage and yard on c. 180 acres (72.85 ha). New Park
House contains c. 5,705 sq.ft. The yards contains machinery
shed, slatted shed, silage slab, 6 boxes, garage, cattle crush
and pens, 4 span haybarn with 2 lean-tos, derelict two
storey Manager's house. The lands are all in on block a
large portion is in arable and horticultural use with a small
section in grass. Sold at Auction in October 2019 for €3.2m



RATHCAIRN ATHBOY

 27 acres

 Sold by TE Potterton Auctioneers

€265,000

8

OVERVIEW OF AGRICULTURE BY

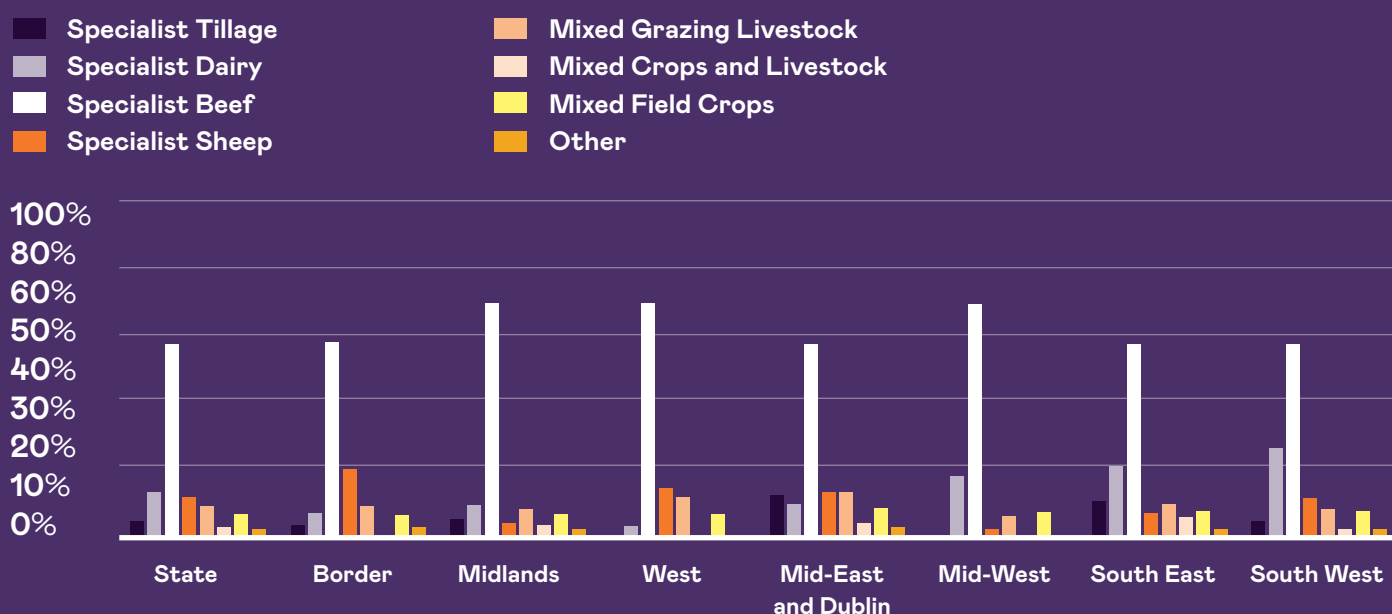
OVERVIEW IRISH AGRICULTURE REGION

While there are no radical differences in climatic and agronomic conditions across Ireland, there are differences in the prevalence and economic importance of the various agricultural production systems at a regional level. Such differences in the relative importance of particular agricultural activities between the regions, are likely to be reflected in both demand for and supply of agricultural land for sale and rent. The differences in the nature of agricultural activity in the various regions of Ireland in part is reflective of underlying soil and other physical characteristics, with farm size, human capital, age of the farm operator, the presence of off farm employment and access to finance, also being factors of significance.

The Farm Structures Survey (FSS), produced by the Central Statistics Office (CSO), provides detailed information on the regional pattern of agricultural activity and farm structures in Ireland. The most recent survey of this kind relates to 2016. CSO also produces regional economic accounts for agriculture on an annual basis and these allow us to see regional differences in agricultural output and incomes earned across Ireland. FSS data are presented at NUTS III level, which is the same level of aggregation used in the CSO Regional Accounts for Agriculture and corresponds somewhat with the regions used in the SCSi survey of agricultural land markets.

The prevalence of various farm types (and associated land uses) differs regionally, as illustrated in the chart below, which shows data for 2016. Comparing results with the previous farm structures survey in 2013 indicates that very little had changed in the intervening years in the structure of Irish farming. In all regions in 2016, farms classed as specialist beef production accounted for at least 40% of farms, with the proportion highest in the Midlands (69%) and lowest in the South East region (42%).

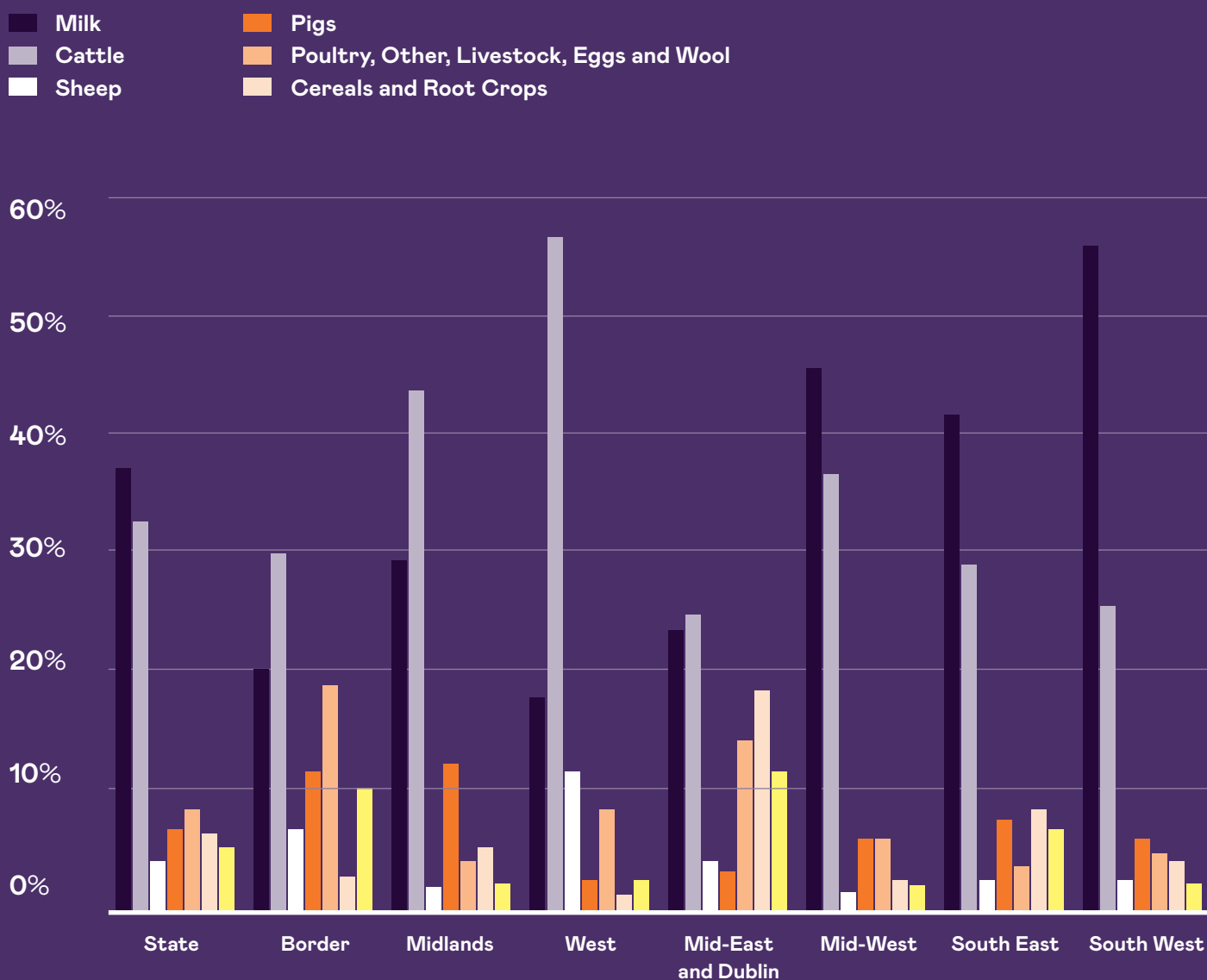
Prevalence of Farm Type by NUTS III region in 2016 (Source: CSO Farm Structures Survey 2016)



The regional importance of dairying and tillage farming vary substantially. In the South West (Cork and Kerry) close to 25% of all farms are specialist dairy farms, which contrasts with the West (Galway, Mayo and Roscommon) where less than 3% of farms are specialist dairy farms. Specialist tillage farms account for a little over 3% of farms nationally, but in the South East Region (Carlow, Kilkenny, South Tipperary, Waterford, Wexford) almost 10% of farms are specialist tillage farms. Specialist tillage farms also represented 11% of farms in the Mid-East (Kildare, Meath and Wicklow) and Dublin region.



Agricultural Output (excl. forage) at Producer Prices 2018: Shares for each system by NUTS III Region (Source: CSO Regional Account for Agriculture 2018)



The importance of different farm types by region is reflected in the varying composition of the agricultural output produced across the regions of Ireland in 2018, as illustrated in the chart below. The prominence of cattle output can be observed across all regions, with the cattle output share varying from 25% in the Mid East and Dublin region to 57% in the West region. However, the importance of milk and cereal and root crop output varies widely across the NUTS III regions.

The prevalence of dairying (milk) is highest in the South West, Mid-West and South East regions.

The continuing growth in milk production of recent years, has pushed milk production into first place in terms of the share of output delivered within primary agriculture at a national level. This trend can also be observed in the dairy heartland of the South West, Mid-West and South East, where milk production is also the largest sector in output value terms.

Net Subsidies as a share of Agricultural Sector Income in 2015-2018 by NUTS III Region (Source: CSO Regional Account for Agriculture 2015-2018)



The varying regional prevalence of dairying and tillage output is mirrored in the importance of income subsidies in total agricultural sector income by region, Illustrated in Figure z. The most recent data that is available relates to 2018.

Dairying is more profitable than most other Irish farm systems, with dairy farmers on average deriving most of their farm income directly from the margin of their farm business, receiving a smaller share of their farm income in the form of subsidies. This largely reflects the higher net margins per hectare of milk production systems when compared with other mainstream farming activities. It follows that in regions where dairy is prevalent, the level of income derived from the margin of the farm business will be higher in percentage terms and the contribution to income from support payments will be lower. Where the subsidy to income ratio exceeds 100%, this signifies that the value of output was less than production costs, with the losses eating into the value of the income subsidies.

Difficult weather conditions were a major issue for Irish agriculture in 2018. Snow in February and March was followed by a drought in summer in the summer of 2018. This led to higher production costs right across the country and lower income levels. In turn this led to an increase in the percentage of income represented by subsidies in each region in 2018 relative to 2017.

At a national level, income subsidies accounted for 59% of agricultural sector income in 2018, a substantial increase from the figure of 48% in 2017. At a regional level, in 2018 the share of income derived from subsidies continued to be lowest in the South-West region at 44% and highest in the Midlands at 103%. In both of these regions this represented a significant increase relative to the previous year. This dramatic difference between the South West and Midlands is indicative of the dominance of milk production in the South-West and its lower significance in the Midlands.



CSO (2018) Farm Structures Survey 2016. Available at

<https://www.cso.ie/en/releasesandpublications/ep/p-fss/farmstructuresurvey2016/>

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STATISTICAL ANNEX (VALUES, €)

L

LEINSTER (EXCL DUBLIN)

WITH A RESIDENCE				WITHOUT A RESIDENCE		
Year	Up to 50 acres	50 to 100 acres	100+ acres	Up to 50 acres	50 to 100 acres	100+ acres
2010	9,235	11,450	10,020	8,085	9,235	8,085
2011	8,685	10,261	9,375	8,269	8,685	8,269
2012	8,868	10,300	9,400	8,438	8,868	8,438
2013	10,619	10,812	9,664	9,664	10,052	9,429
2014	11,092	10,885	9,671	9,689	10,126	9,456
2015	12,711	11,361	10,096	10,608	10,242	9,316
2016	12,666	10,988	10,043	11,204	10,391	9,518
2017	12,173	10,493	9,750	10,873	9,552	9,000
2018	11,973	11,265	10,457	12,929	10,109	9,411
2019	10,760	11,554	11,695	10,734	10,113	9,826
y-o-y % Change	-10	3	12	-17	0	4

MUNSTER

WITH A RESIDENCE				WITHOUT A RESIDENCE		
Year	Up to 50 acres	50 to 100 acres	100+ acres	Up to 50 acres	50 to 100 acres	100+ acres
2010	8,770	10,210	8,935	7,745	8,770	7,745
2011	8,979	10,807	9,674	8,016	8,979	8,016
2012	8,752	10,625	9,896	8,450	8,752	8,450
2013	10,313	10,417	9,669	9,098	10,963	10,356
2014	10,700	10,455	10,289	9,689	9,875	9,245
2015	11,017	10,131	11,396	9,970	9,900	9,434
2016	10,622	9,092	9,154	9,636	8,800	8,577
2017	11,616	10,719	10,111	9,846	10,000	9,813
2018	10,921	10,223	9,500	11,265	10,143	10,457
2019	11,852	10,848	9,763	10,000	9,832	9,325
y-o-y % change	9	6	3	-11	-3	-11

CONNAUGHT/ ULSTER

WITH A RESIDENCE				WITHOUT A RESIDENCE		
Year	Up to 50 acres	50 to 100 acres	100+ acres	Up to 50 acres	50 to 100 acres	100+ acres
2010	6,825	7,990	6,835	6,145	6,825	61,45
2011	6,955	6,608	57,21	6,321	6,955	6,321
2012	6,926	6,663	5,938	5,973	6,926	5,953
2013	6,929	7,321	5,420	5,773	7,750	6,250
2014	6,213	6,187	5,632	5,594	6,260	5,836
2015	5,839	5,710	5,320	6,163	5,821	5,260
2016	6,556	5,779	5,457	6,375	5,838	5,529
2017	6,222	5,000	4,600	6,225	4,938	4,500
2018	7,138	7,361	7,375	7,016	6,575	6,205
2019	7,163	6,721	6,416	7,480	6,376	5,721
y-o-y % change	0	-9	-13	7	-6	-8

LEINSTER (EXCL DUBLIN)

LEINSTER (EXCL DUBLIN)					
Year	Grazing/ meadowing/silage	Grazing only	Cereal crops	Root crops/maize and pulses	Potatoes
2010	130	121	135	154	
2011	142	132	155	184	
2012	143	134	160	184	
2013	156	143	175	198	
2014	160	148	187	204	
2015	162	150	189	216	317
2016	177	160	195	235	336
2017	194	182	220	299	426
2018	197	190	216	246	348
2019	183	170	210	256	378
y-o-y % change	-7	-11	-3	4	9

MUNSTER

MUNSTER					
Year	Grazing/ meadowing/silage	Grazing only	Cereal crops	Root crops/maize and pulses	Potatoes
2010	138	124	153	159	
2011	155	142	171	176	
2012	159	142	178	180	
2013	169	161	192	195	
2014	194	180	217	230	
2015	186	177	197	220	254
2016	186	178	209	210	286
2017	191	174	263	195	295
2018	198	182	209	268	230
2019	207	200	227	273	268
y-o-y % change	5	10	9	2	17

CONNAUGHT/ ULSTER

Year	Grazing/ meadowing/silage	Grazing only	Cereal crops	Root crops/maize and pulses	Potatoes
2010	121	109	137	139	
2011	117	114	137	125	
2012	128	119	133	132	
2013	138	128	130	127	
2014	135	122	129	130	
2015	146	131	131	138	190
2016	144	130	110	173	197
2017	124	122	170	180	
2018	160	141	179	183	252
2019	176	144	203	186	273
y-o-y % Change	10	2	13	2	8

Rental Prices Smith Harrington agricultural land rental prices rate per acre (€)

1970	€26.15
1971	€33.67
1972	€37.22
1973	€52.30
1974	€64.40
1975	€75.61
1976	€92.86
1977	€140.94
1978	€159.24
1979	€173.05
1980	€114.31
1981	€106.92
1982	€104.23
1983	€114.23
1984	€120.58
1985	€123.12
1986	€113.52
1987	€114.62
1988	€122.48
1989	€123.90
1990	€136.29
1991	€134.65
1992	€134.11
1993	€142.23
1994	€146.90
1995	€140.22
1996	€129.54
1997	€102.38
1998	€107.87
1999	€103.19
2000	€109.53
2001	€107.50
2002	€130.39
2003	€123.87
2004	€132.42
2005	€114.52
2006	€126.00
2007	€143.04
2008	€151.61
2009	€134.79
2010	€137.78
2011	€150.89
2012	€147.07
2013	€197.33
2014	€172.71
2015	€168.33
2016	€169.83
2017	€170.31
2018	€172.65
2019	€174.51

Sales Prices Smith Harrington agricultural land sales prices database rate per acre (€)

1970	€498.85
1971	€708.42
1972	€842.14
1973	€1,528.08
1974	€1,527.64
1975	€1,879.50
1976	€2,109.84
1977	€3,380.49
1978	€3,491.98
1979	€4,696.14
1980	€4,265.85
1981	€3,033.75
1982	€2,813.89
1983	€2,417.59
1984	€2,225.35
1985	€2,603.85
1986	€1,903.46
1987	€1,902.56
1988	€1,868.29
1989	€2,753.45
1990	€2,771.22
1991	€2,288.26
1992	€2,281.01
1993	€2,084.03
1994	€3,092.40
1995	€3,346.33
1996	€3,754.77
1997	€4,558.19
1998	€5,450.78
1999	€7,325.85
2000	€8,993.42
2001	€7,601.85
2002	€10,699.90
2003	€10,038.00
2004	€12,013.91
2005	€16,081.98
2006	€17,018.02
2007	€20,436.92
2008	€16,563.48
2009	€13,842.21
2010	€8,770.34
2011	€9,230.27
2012	€10,557.24
2013	€10,368.56
2014	€10,227.21
2015	€10,429.21
2016	€10,008.30
2017	€9,136.86
2018	€10,746.62
2019	€9,549.77



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