



Northern Ireland  
Assembly

## Research and Information Service Briefing Paper

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# Overview of the beef sector/suckler cow industry in Northern Ireland

## 1 Background

This paper provides an overview of the beef sector/suckler cow industry in Northern Ireland. As well as providing details on the size of the industry this paper considers issues relating to the income and the connections between different sectors of the industry. Wherever possible the paper provides data specifically relating to the beef sector, but it should be noted that data in areas such as income and farm size, combines the individual sheep and cattle categories in order to comply with standardised EU reporting requirements, and cannot subsequently be broken down any further.

## 2 Nature of beef production in Northern Ireland

Northern Ireland had a total of 24,907 farms in 2015 and cattle and sheep farms accounted for 19,511 (78%) of the total, with 14,497(74%) of the cattle and sheep farms being within Less Favoured Area (LFA) and 5,014 within lowland<sup>1</sup>. Additionally,

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<sup>1</sup> [Results for June 2015, The Agricultural Census in Northern Ireland, Policy and Economics Division, DARD, table 8.1, page 72](#)

of the 14,497 beef and sheep farms located within LFA, 8,726 are mainly Severely Disadvantaged Area (SDA) which equates to 60%<sup>2</sup>.

In terms of actual size of individual farm enterprises, 'very small' farms account for 77% (19,078) of Northern Ireland's farms, meaning that they account for less than 1 Standard Labour Unit (1 SLU is equivalent to 1,900 hours). With specific regards to cattle and sheep farms, these farms within LFA and lowland account for 90% (17,268) of Northern Ireland's total 'very small' farms<sup>3</sup>.

By way of contrast Northern Ireland has a total of 1,629 'large farms' which equates to 6% of the total farms within Northern Ireland. Large farms are recognised as those which account for more than 3 but less than 5 standard labour units. Of these 1,629 'large farms', cattle and sheep farms within LFA and lowland account for 124 farms (8%) and 78 farms (5%) respectively<sup>4</sup>.

In terms of actual numbers of cattle, figure 1 below outlines how the total number of beef cows in Northern Ireland has changed over the period of 1983 to June 2015. The total number of beef cows from the 2015 Agricultural Census data<sup>5</sup> estimates the beef cow population at 260,300 animals, which equates to a 2% increase on the June 2014 figure of 254,900 animals.

Of the 397,000 total home fed cattle marketed in 2014 77% were identified as steers and heifers, and 36% (142,920) of these steers and heifers originated from dairy herds, reflecting the significance of beef from dairy within Northern Ireland<sup>6</sup>.

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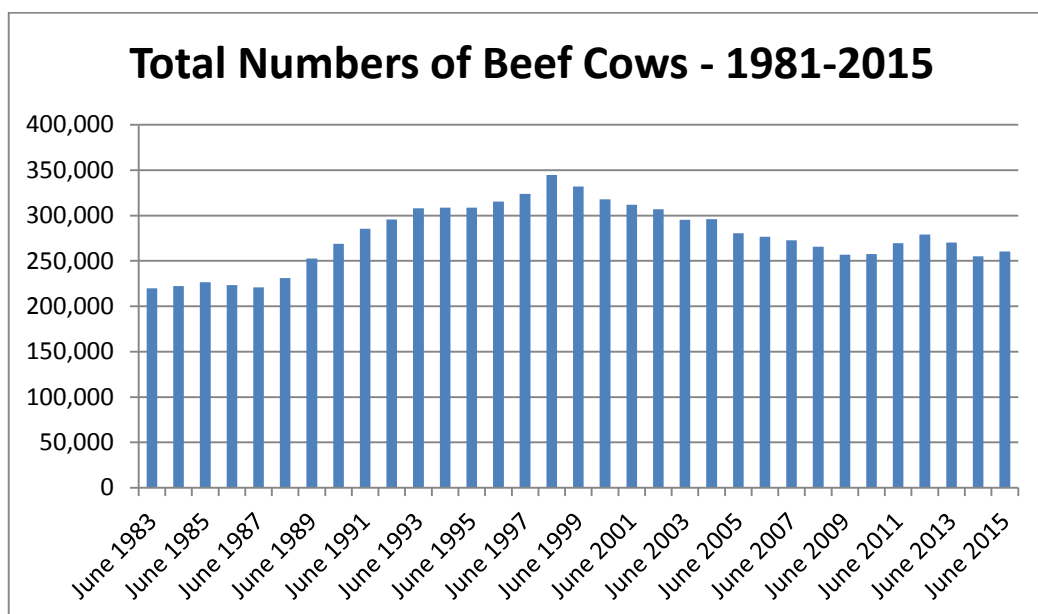
<sup>2</sup> *ibid*

<sup>3</sup> [Results for June 2015, The Agricultural Census in Northern Ireland, Policy and Economics Division, DARD, table 4.4, page 41](#)

<sup>4</sup> *ibid*

<sup>5</sup> [Preliminary Results of the June Agricultural Census 2014, Policy and Economics Branch, DARD](#)

<sup>6</sup> [Sources of home-fed finished cattle marketed 1981 onward, DARD website](#)

Figure 1: Total numbers of beef cows in Northern Ireland, 1983-2015<sup>7</sup>

The average beef cow herd size within Northern Ireland equated to 17 cattle in 2014 as compared to the average dairy cow herd size of 85.9 in 2014<sup>8</sup>. It is also worth noting that the average beef herd size had declined when compared to the 2013 figure of 17.6, whilst the average dairy herd size had increased in 2014 when compared to the 2013 figure of 81.6.

In terms of the economics of the beef sector in Northern Ireland, DARD Farm Business Income data from 2014/15 and the forecast data for 2015/16 in £ per farm<sup>9</sup>, as set out in figure 2, shows that the Cattle and Sheep meat sectors within LFA and Lowland had the lowest Farm Business Income<sup>10</sup> (FBI) of any DARD identified sector in 2014/15, whilst the forecast data for 2015/16 shows that only dairy incomes will be lower.

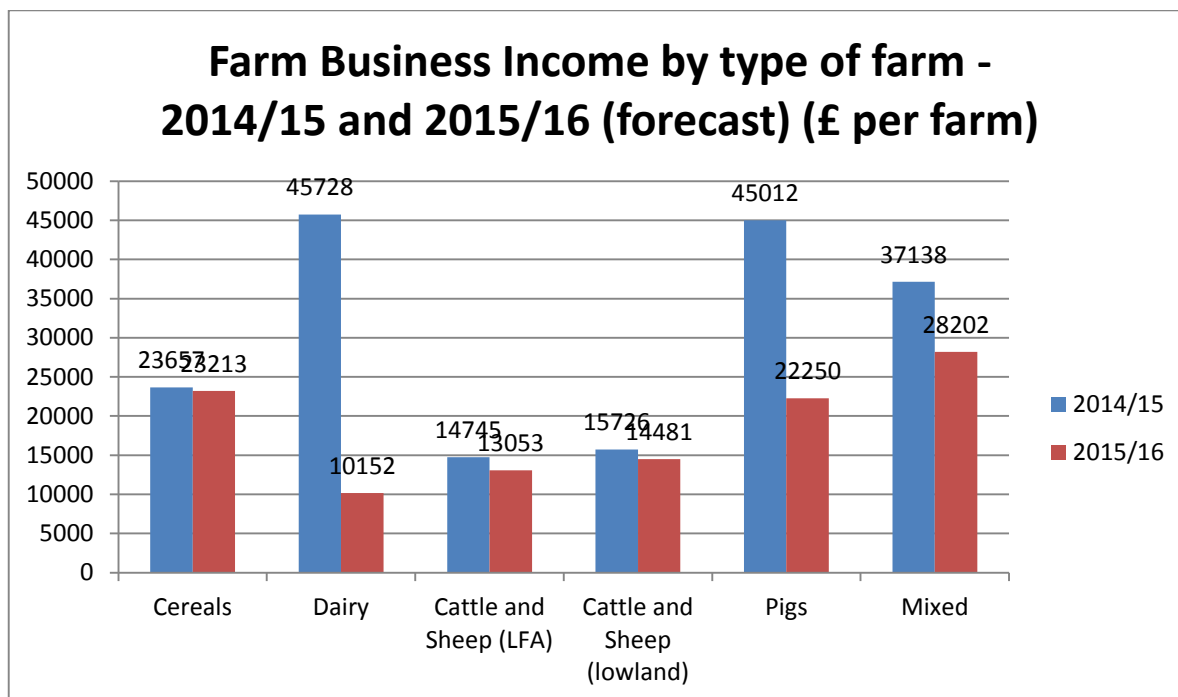
<sup>7</sup> [Results for June 2015, The Agricultural Census in Northern Ireland, Policy and Economics Division, DARD, table 3.2, page 24](#)

<sup>8</sup> [2014 Statistical Review of Northern Ireland Agriculture, Policy and Economics Division, DARD, Table 4.16, page 48](#)

<sup>9</sup> [Northern Ireland agricultural incomes in 2015, Statistical Press Release, Policy and Economics Division, DARD, Table 1, 28 January 2016](#)

<sup>10</sup> Farm Business Income FBI is the return to all unpaid labour (farmer, spouses and others with an entrepreneurial interest in the farm business) and to their capital invested in the farm business which includes land and buildings..

Figure 2: Farm Business Income by type of farm – 2014/15 and 2015/16 (forecast) (£ per farm)<sup>11</sup>



In addition, and as set out in table 1, Farm Business Income (FBI) for LFA and Lowland cattle and sheep farms showed decreases between 2014/15 and 2015/16 (forecast) of 11% and 8% respectively, and whilst these cuts will have an impact they are considerably smaller than the projected cuts for other sectors such as dairy and pigs, but it should be remembered that cattle and sheep FBI is starting from a lower base. The percentage change data may also suggest that there is currently less volatility within the beef and sheep sector.

Table 1: Percentage change in Farm Business Income by farm type from 2014/15 to 2015/16 (forecast)<sup>12</sup>

Farm Type	Percentage change in Farm Business Income – 2014/15 to 2015/16 (forecast)
Cereals	-2%
Cattle and Sheep (Lowland)	-8%
Cattle and Sheep (LFA)	-11%
Mixed	-24%
Pigs	-51%
Dairy	-78%

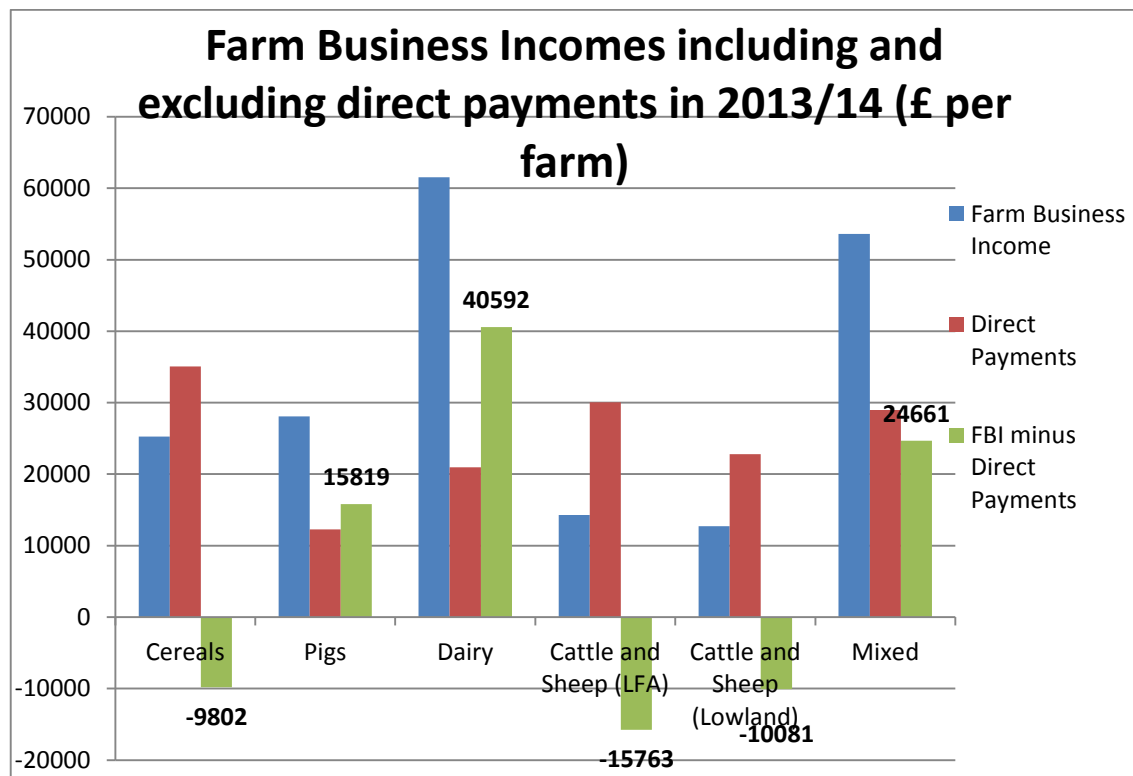
The reliance of the beef and sheep sectors on direct payments (mainly CAP Single Farm Payment and CAP Basic Payment going forward) is emphasised in the data

<sup>11</sup> [Northern Ireland agricultural incomes in 2015, Statistical Press Release, Policy and Economics Division, DARD, Table 1, 28 January 2016](#)

<sup>12</sup> [2012/13 Farm Incomes in Northern Ireland, Policy and Economics Division, DARD, Table 7\(b\) page 18](#)

outlined in figure 3<sup>13</sup> which is the most up to date from DARD, covering the 2013/14 period. Without direct payments cattle and sheep farms in LFA and Lowland made losses in 2013/14 of -£15,763 and -£10,081 respectively, making these sectors, along with cereals, the only ones which made losses when direct payment contributions are removed.

Figure 3: Farm Business Incomes including and excluding direct payments in 2013/14 (£ per farm)<sup>14</sup>

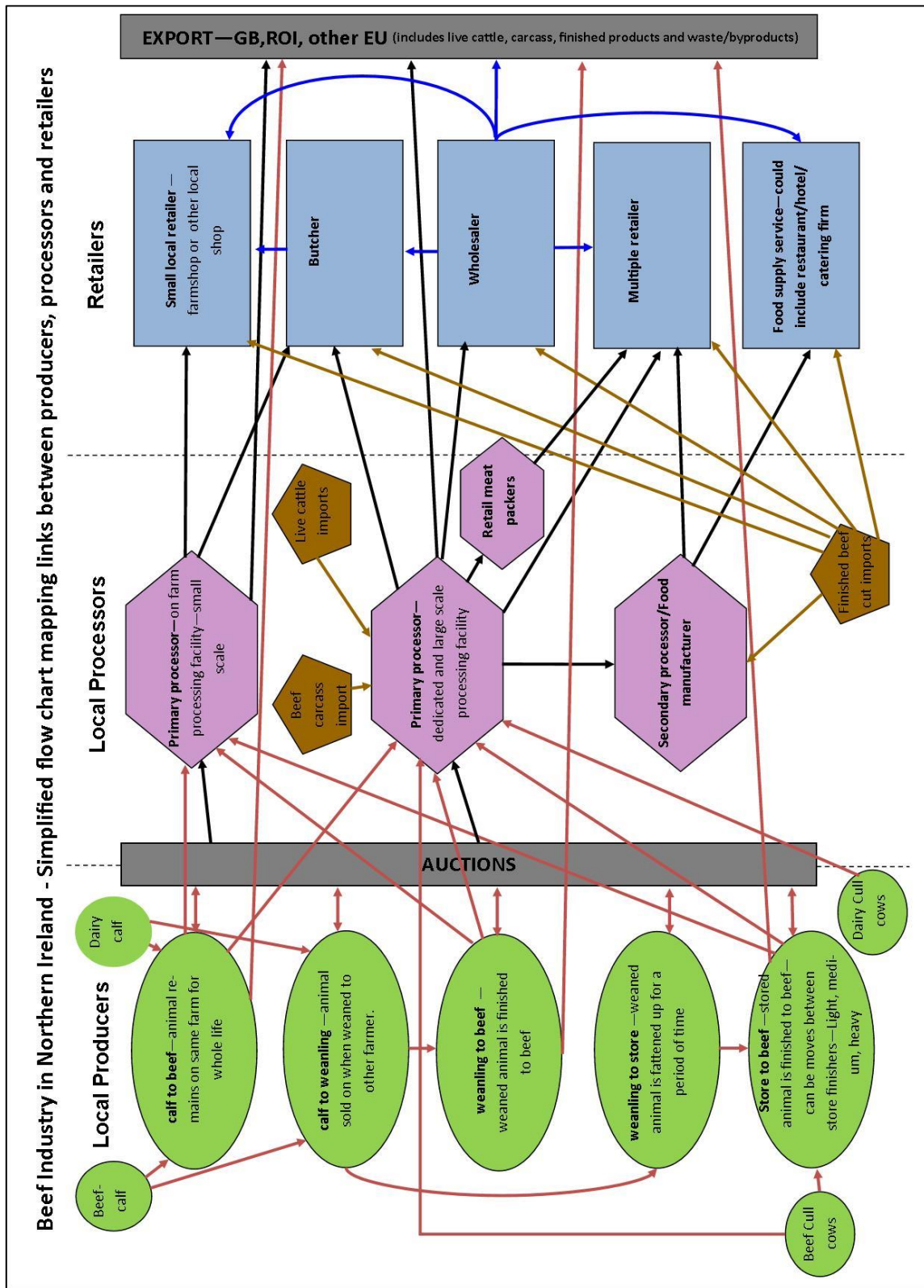


In terms of how the beef industry in Northern Ireland is structured figure 4 below highlights the linkages across the sector.

<sup>13</sup> [2012/13 Farm Incomes in Northern Ireland, Policy and Economics Division, DARD, Table 7\(b\) page 18](#)

<sup>14</sup> Data derived from [Farm Incomes in Northern Ireland, 2013/14, Policy and Economics Division, DARD, table 7a page 17](#)

Figure 4: Flow chart – linkages between beef producers, processors and retailers in Northern Ireland



### 3 Key points/observations

- Cattle and sheep farms account for 78% of Northern Ireland's 24,907 farms in 2015 making the sector the largest component of the local agricultural sector in terms of scale;
- Whilst the sector is large it is mainly focussed in areas with poorer quality land, with 74% (14,497) of these cattle and sheep farms being found within Less Favoured Areas, and 60% of these farms actually being within Severely Disadvantaged Areas (SDA);
- The cattle and sheep sector also accounts for 90% of Northern Ireland's 'very small' farms and only 13% of 'large farms', indicating that the sector is dominated by small scale enterprises;
- The sense of a large number of small farms is confirmed by the fact that the average beef cow herd size equated to 17 cattle in 2014;
- The number of beef cows within Northern Ireland has grown and decreased over time but a general decrease in numbers since 1998 was arrested with an expansion in June 2011 which may have been related to perceptions amongst farmers around a potential reference year for the new Common Agricultural Policy rules. After falling back in 2013 and 2014, 2015 has once again witnessed a growth in the beef cow population, equating to 2% growth on the 2014 figure;
- Beef from dairy accounts for 36% of the steers and heifers marketed in 2014 and this highlights the interdependence between the beef and dairy sectors;
- Farm Business Incomes for the cattle and sheep sectors within LFA and lowland were the lowest of any agricultural sector in 2014/15 and only dairy incomes will be lower on the basis of the 2015/16 forecast data. This does raise a question around the long term viability of these sectors as it could potentially be challenging for a family farm to exist on such an income without other farm or off farm supplementation;
- Whilst cattle and sheep income levels are low there may not be the same volatility in the sector as compared to dairy and pigs, based on the fact the projected farm business income fall percentage figures between 2014/15 and 2015/16 (forecast) for cattle and sheep are amongst the lowest;
- The cattle and sheep sectors appear to be the sectors most reliant on CAP Single Payments/Basic Payments within Northern Ireland agriculture, and based upon 2014/15 data would be making annual losses of £15,763 and £10,081 within LFA and Lowland respectively.
- Looking at the flow chart mapping the links between beef producers, processors and retailers (figure 4) it is clear that the beef industry supply chain in Northern Ireland is highly complex, with at least 5 production systems in operation locally. Additionally the processing and retail sectors are also complex and have numerous sources for the beef products that they process and sell.