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SCSI/TEAGASC ANNUAL AGRICULTURAL LAND MARKET REVIEW & OUTLOOK 2023



Contents



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The Society of Chartered Surveyors Ireland (SCSI) and Teagasc are delighted to publish the Annual Agricultural Land Market Review & Outlook 2023. Our tenth annual report provides a review of 2022 and an outlook for 2023, with a selection of useful insights regarding expected performance of the agricultural sector, as well as a special feature on regulatory changes to environmental policy, and the potential implications for the land market in Ireland.

The reporting of average land sales and rental values provides independent data to the market to benefit buyers, sellers and also policymakers with interests in farming and land market developments. This report assesses land values for counties and provinces across differing land types and plot sizes. It is important to emphasise that land quality and price can range from one field to the next. Some land parcels may be more suitable for specific agricultural purposes than others. The land quality assessment that is made by SCSI agents and valuers and is not the result of a soil test, but is based on the type of farming uses that the land is suited to. For example, poor quality land is where the soil has low depth or high altitude, is not free draining and is

therefore unsuitable for tillage. Good quality land typically consists of good soil depth, is at low to moderate altitude, and has free-draining soils, which make the land suitable for many farming types including tillage. This year's report provides an in-depth analysis of the key issues facing the agricultural sector. Russia's illegal invasion of Ukraine had a substantial impact on global agriculture in 2022 and this has continued into 2023. The conflict has had implications for farm profitability, with a global shortage of grains, oilseeds and dairy products, with associated higher prices emerging alongside much higher input costs. Changes in farm profitability may therefore have an impact on the land market. Similarly, recent changes to

environmental policy aimed at protecting water quality may drive a demand for additional land on the part of some farmers, as explained in more detail in this report. The review's findings in respect of land market activity are based on an SCSI survey, which was conducted on a nationwide basis in February and March 2023. This survey was completed by Chartered Surveyors operating in the auctioning, private treaty, tendering and rental of land including those that provide specialist valuation services to clients. We hope that you find this edition of the report to be informative, and we commend the SCSI staff, Teagasc staff, and SCSI members involved for their contributions to this report.



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FARMING SECTOR PERFORMANCE

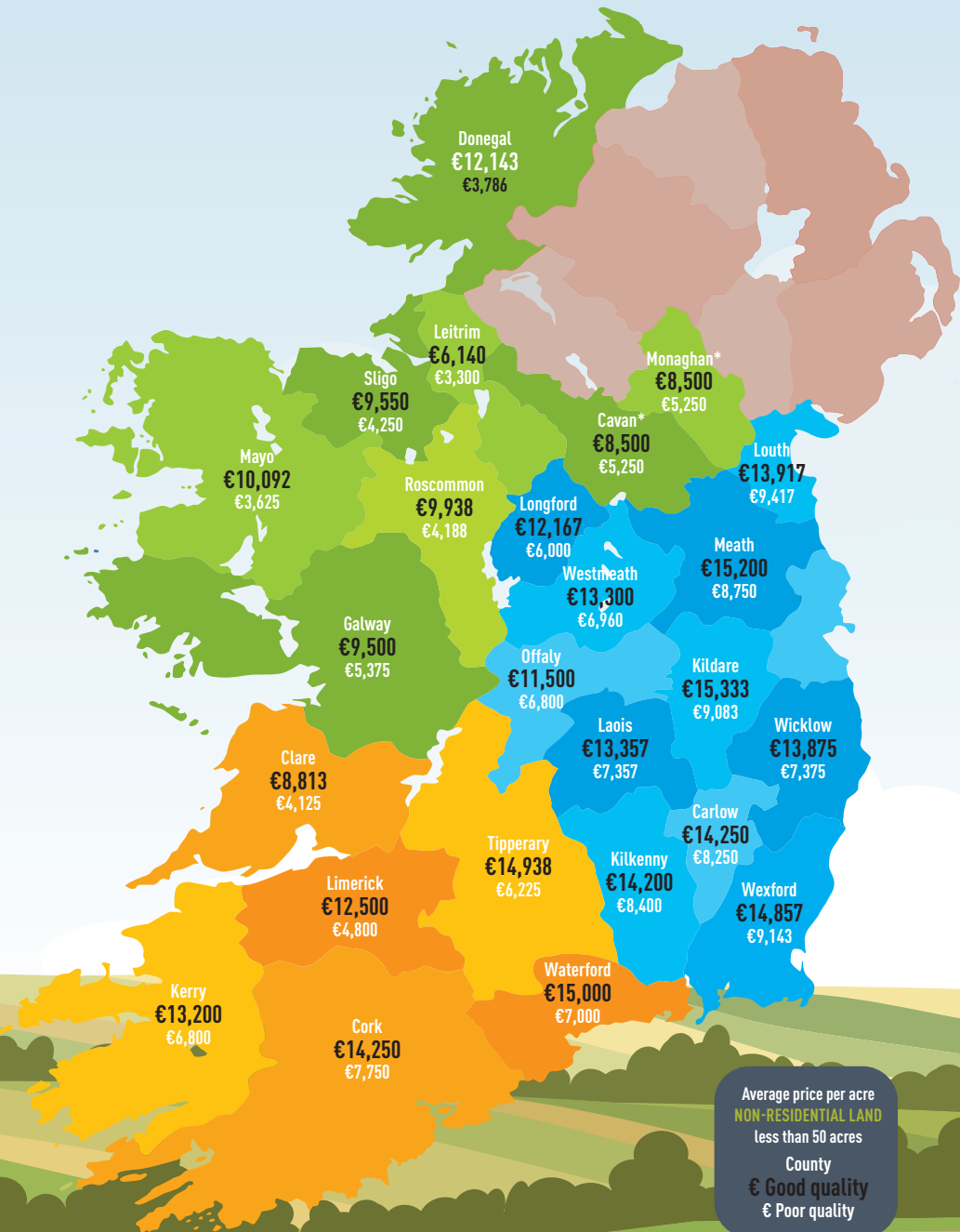
- ▶ The conflict in Ukraine resulted in higher energy and fertiliser prices.
- ▶ Ukraine crop export reductions contributed to a sharp escalation in international grain and oilseed prices.
- ▶ Cattle rearing margins are expected to be significantly higher in 2023 relative to 2022.
- ▶ The cereal futures market is indicating significant declines in output prices at harvest time.
- ▶ Prices for beef and pork are forecast to be higher in 2023 relative to 2022.
- ▶ Milk prices are forecast to be lower relative to 2022.
- ▶ Difficult trading conditions for sheep and tillage farming are expected in 2023.

FARMLAND TRANSACTION VALUES AND TRENDS

- ▶ National farmland values forecast to rise by 8% on average in 2023.
- ▶ National average non-residential farmland prices in 2022 ranged from €5,564 per acre for poor quality land to €11,172 for good quality land, up by 5% and 2%, respectively.
- ▶ On average, the most expensive land recorded was in Waterford (50-100 acres) where good quality land was €17,400 per acre.
- ▶ Mayo recorded the lowest value for farmland in 2022 at €2,040 for poor quality land on holdings over 100 acres.
- ▶ The volume of land sales in 2022 continued to increase, although at slightly lower levels compared to 2021 – SCSI Index down from +31 to +29.
- ▶ An executor/probate sale continues to be the most dominant sale reason in the agricultural land market.

FARMLAND RENTAL VALUES AND TRENDS

- ▶ National average rental values are expected to increase by 14% in 2023.
- ▶ Strong demand for rental land in 2022 saw an increase in average rental values in Munster (13%), with Leinster (9%) and Connacht/Ulster (3%).
- ▶ Expected percentage changes for rental values throughout 2023: Munster (17%); Leinster (15%); and, Connacht/Ulster (10%).
- ▶ The demand for long-term leasing of land remains strong, with the SCSI Index at +78.
- ▶ The SCSI Index tracking the volume of conacre rentals is down from +16 in 2017 to -13 in 2022.



Average price per acre
NON-RESIDENTIAL LAND
less than 50 acres
County
€ Good quality
€ Poor quality

*Due to insufficient level of responses for 2022, Monaghan and Cavan data from 2021

IRISH AGRICULTURE SECTOR

This section reviews the performance of Irish agriculture in 2022 and looks at current prospects for 2023. There is an overview at the broad sectoral level, followed by a focus on the key subsectors within agriculture.

Overview of agriculture in 2022

From an agricultural perspective, weather conditions in 2022 were unfavourable during the summer months for grassland systems in some regions, but excellent for tillage. In 2022, output prices increased strongly for most commodities with the exception of sheep meat. Input prices increased dramatically for all of the farm enterprises with rising prices for feed, fertiliser, fuel and other inputs. Key commodity price changes in 2022 compared with 2021 are shown in

Figure 1.

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. In 2022 milk prices increased, particularly during the second half of the year, with exceptional prices achieved entering the winter period. As a result, the annual average national milk price for 2022 increased by 46%, with the standardised price for the year as a whole estimated to be 53.1 cent per litre (59.3

cent on an actual constituent basis). Irish milk production is estimated to have been unchanged in 2022, with poor grass growth observed through some of the peak milk production months.

Milk production costs are estimated to have increased dramatically in 2022 by about 30% on both a per hectare and per litre basis. It is estimated that the net margin per litre of milk produced increased by 70% to 23.9 cent per litre in 2022.

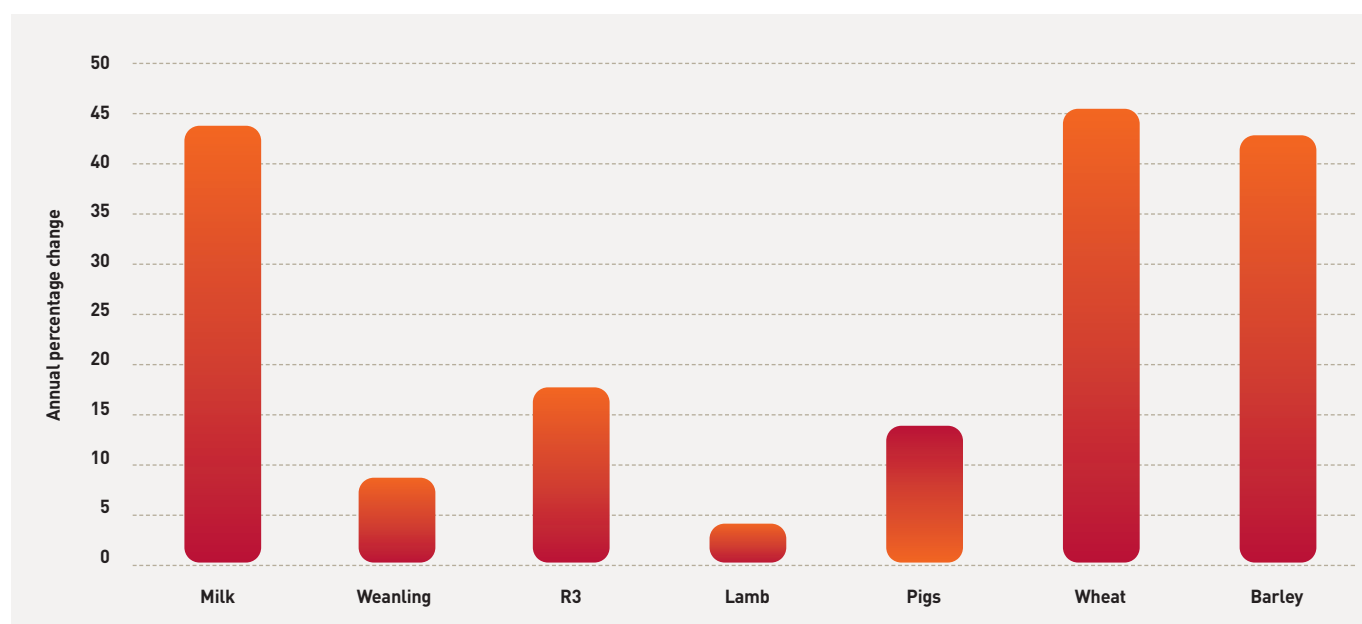


FIGURE 1: Change in output prices 2022 vs 2021.

Source: CSO and DG Agri.

IN 2022, OUTPUT PRICES INCREASED STRONGLY FOR MOST COMMODITIES WITH THE EXCEPTION OF SHEEP MEAT. INPUT PRICES INCREASED DRAMATICALLY FOR ALL OF THE FARM ENTERPRISES WITH RISING PRICES FOR FEED, FERTILISER, FUEL AND OTHER INPUTS.

Cattle

Beef farming remains the largest agricultural enterprise activity in Ireland in terms of land use and farm numbers.

Teagasc reports the performance of two main beef farm enterprises (cattle rearing and cattle finishing).

In 2022, finished cattle prices increased by approximately 17% relative to 2021. The volume of prime beef production increased by approximately 4%. Weanling prices increased by approximately 9%, while prices for older store cattle increased by approximately 11%.

As a result, relatively large increases are estimated for the average gross output value on cattle farms in 2022. On cattle-finishing farms, the average gross output increased by 27%. On cattle-rearing farms, the average gross output increased by 11%. The direct costs of production increased dramatically for cattle farms in 2022. The average gross margin on cattle-finishing farms increased by 7%, while the average gross margin on cattle-rearing farms decreased by 15%.

Further increases in overhead costs (including energy costs) mean that the average net margin on cattle-finishing farms was similar in 2022 relative to 2021. The average net margin is likely to have decreased on cattle-rearing farms.

Sheep

Sheep production takes place on about 11% 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 dispersed throughout the country but tend to be 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 2022, lamb prices in Ireland were approximately 4% higher than the 2021 level. Costs of production for Irish mid-season lowland lamb enterprises increased substantially in 2022. Feed volumes were relatively lower in 2022 compared to 2021. However, the substantial increase in feed prices led to much higher feed expenditure. Gross margins per hectare for Irish mid-season lowland lamb producers are estimated to have decreased in 2022 by 14% to €803 per hectare, mainly due to higher input prices.

Cereals

Tillage production is limited to about 7% of the agricultural land base in Ireland and is most commonly found in pockets of mid and south Leinster and east Munster. Global wheat prices increased by approximately 35% in 2022 relative to 2021 (World Bank 2023). Harvest prices in the cereals sector in Ireland were 40-

45% higher in 2022 relative to 2021.

Furthermore, yields for the major Irish cereal crops were also higher than those achieved at harvest 2021. The upward movement in cereal prices at harvest 2022 was associated with several factors, the most important of which was the war in Ukraine, which severely disrupted international grain markets.

A decrease in international wheat and barley production occurred in 2022. The increase in global demand led to a decrease in ending stocks at EU level, and this contributed to the increase in Irish cereal prices at harvest 2022. The 2022 Teagasc Harvest Report details an estimated 4.3% increase in the total area devoted to cereal production in the 2021/22 crop year compared to the 2020/21 crop year. Gross output on tillage farms was therefore substantially higher in 2022 relative to 2021. Direct costs of production on Irish cereal farms increased by 57% in 2022 compared to 2021. The largest increases were related to fuel, fertiliser and seed, which were up 80%, 155% and 6%, respectively. The net effect of the change in output value and input costs was a significant increase in the average gross margin for most cereal crops in 2022. The average net margin per hectare on cereal enterprises increased from €512 per hectare to €745 per hectare (an increase of 45%).

2023

OUTLOOK 2023

The Russian Federation's illegal invasion of Ukraine has had a dramatic impact on the lives of people living in Ukraine. The death, destruction and displacement of people brought about by the war is having short-term and will have long-term consequences for the people of Ukraine.

In last year's report, we documented the level of export volumes for various crops produced in Russia and Ukraine. The United States Department of Agriculture (USDA) has projected that in the 2022/23 marketing year, Ukrainian exports of wheat declined 31% and exports of corn by 24% from 2021/22 (USDA 2023a). The decline in corn exports is particularly important given that Ukraine accounted for 17% of global corn exports prior to the invasion. In 2022, the reduction in Ukraine crop exports contributed to a sharp escalation in international grain and oilseed prices, and energy and fertiliser prices. The increase in energy prices led to higher rates of general inflation in the wider economy. At the time of writing, there appears to be little movement in the prices for many key inputs. Feed prices appear to be staying at elevated levels in the short term. Official statistics indicate a similar situation for fertiliser prices, albeit with modest declines recorded for February (CSO 2023). Natural gas prices have declined in recent months but remain far above the levels prior to the pandemic and the war in Ukraine. For the tillage sector, fertiliser application has taken place for spring crops and any decline in fertiliser prices in Q2 2023 will be too late to influence overall expenditure for 2023. Similarly, the first quarter tends to be the

most important time of the year in terms of feed purchases on sheep farms. There are mixed developments on the output side. Prices for beef and pork are forecast to be higher in 2023 relative to 2022. Milk prices are forecast to be lower relative to 2022, albeit from record levels. Lamb prices have been notably lower in the first quarter of 2023 relative to the same period in 2022. Futures markets point to significant declines in grain prices for harvest 2023. Given elevated input costs, the outlook for sheep and tillage farms appears difficult in 2023. In the following, we briefly describe the current state of play in the main agricultural enterprises.

Current state of play (April 2023)

Dairy

Milk prices have begun to decline in early 2023 from record levels. The average net margin per litre of milk is expected to fall from 23.9 cent per litre in 2022 to 14.3 cent per litre in 2023. High input costs may contribute to reducing milk yields on some farms, although a small overall increase in milk production is forecast. The recent changes to environmental policy aimed at protecting water quality as part of the Nitrates Directive will limit the extent of growth in overall milk production in 2023.

2023

Cattle

Prices for finished cattle are currently ahead of 2022 levels. In April 2023, the average price for an R3 steer is approximately €5.55 per kg, which is approximately 10% above the annual average for 2022. The annual average beef price in 2023 is forecast to be 4% higher relative to 2022. The costs of production for beef are forecast to be slightly higher in 2023, mainly due to an increase in feed expenditure. In 2023, the increase in output prices may exceed the effect of rising input prices. With the introduction of the Suckler Carbon Efficiency Programme (SCEP), the expansion in funding for the Agri-Climate Rural Environment Scheme (ACRES), and higher young cattle prices, it is expected that margins and incomes on cattle-rearing farms will be significantly higher in 2023 relative to 2022.

Sheep

After a few relatively good years economically, sheep farmers are experiencing significant difficulties in terms of margins and production costs. Due to the elevated costs of production and weaker lamb and sheep prices, the margins on sheep farms are forecast to decline in 2023. Trade patterns are influencing the weaker performance of lamb prices in 2023. In April 2023, average heavy lamb prices are lower relative to April 2022. EU imports of lamb increased by 22% in 2022 (January to November) relative to 2021. This included a 27% increase in EU imports from New Zealand. It is forecast that EU imports will increase by an additional 4% for 2023. These additional imports place some downward pressure on EU lamb prices.

Cereals

The cereals market is most directly affected by the war in Ukraine, given the prominence of both Ukraine and Russia in the international grain and oilseed trade. Cereals producers in Ireland faced substantially higher production costs in 2022 due to the sharp increase in the price of inputs. However, the family farm income (FFI) increased on most tillage farms in 2022 due to the substantially higher output prices. The outlook for 2023 appears less promising, with futures markets indicating significant declines in output prices at harvest time. This reflects optimism for the global harvest and an increase in crop exports from Ukraine (USDA 2023b). Reduced pressures on energy prices are also relevant. There is real uncertainty about these factors and therefore significant uncertainty about output prices at harvest time. Based on current futures markets, the expectation is that cereal-based net margins will be negative on approximately 50% of specialist tillage farms in 2023.

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NITRATES DIRECTIVE

There is increased pressure on agriculture to become more environmentally sustainable. This is increasingly evident in policy at EU level and also in Ireland.



Last year's edition of this report contained a special feature on policies associated with climate change and described how this could affect agriculture. In this year's report we focus on another environmental policy, which will have implications for agriculture, in this case relating to the impact of agriculture on water quality. Specifically, the Nitrates Action Programme – the means by which the European Union's Nitrates Directive is delivered in Ireland – has undergone a number of changes, with stronger measures introduced for the protection of water quality. These nitrates relate to animal waste and fertilisers. The fifth Nitrates Action Programme has been given effect by the Good Agricultural Practice Regulations under S.I. No. 113 of 2022, effective from March 11,

2022. Amendments to these regulations principally relate to animal waste generated and chemical fertiliser allowance.

What changes are being made in respect of the Nitrates Action Programme?

The methodology used to calculate the amount of nitrates at farm level has been revised and the new methodology is being implemented in 2023 in order to produce a more accurate nitrates figure for individual farms. The application of the new methodology will result in an increase in the amount of nitrates associated with some farms, relative to the approach previously used and this will have implication for some farms, particularly grassland farms with a high livestock intensity.

The measure has a particular importance for dairy farms given that livestock intensity per hectare tends to be higher on these farms relative to drystock farms. For the purposes of the Nitrates Directive regulations, the livestock intensity is measured according to the livestock excretion rates for organic nitrogen (organic N) and organic phosphorous (organic P). Ordinarily, farms can operate up to a limit of 170kg of organic N per hectare under the regulations. However, farms can apply for a derogation from the regulation that allows them to operate with a livestock intensity up to a limit of 250kg organic N per hectare, i.e., 47% higher. Farms with a derogation status form a minority of farms in Ireland, with approximately 6,400 farm holdings operating

Table 1: Livestock coefficients according to milk yield band category.

Milk yield band	Milk yield per cow (kg)	Nitrogen coefficient (kg)	Phosphorus (kg)
1	<4,500	80	12
2	4,501 and 6,500	92	13.6
3	>6,500	106	15.8

Source: Department of Agriculture, Food and the Marine (DAFM) (2021).

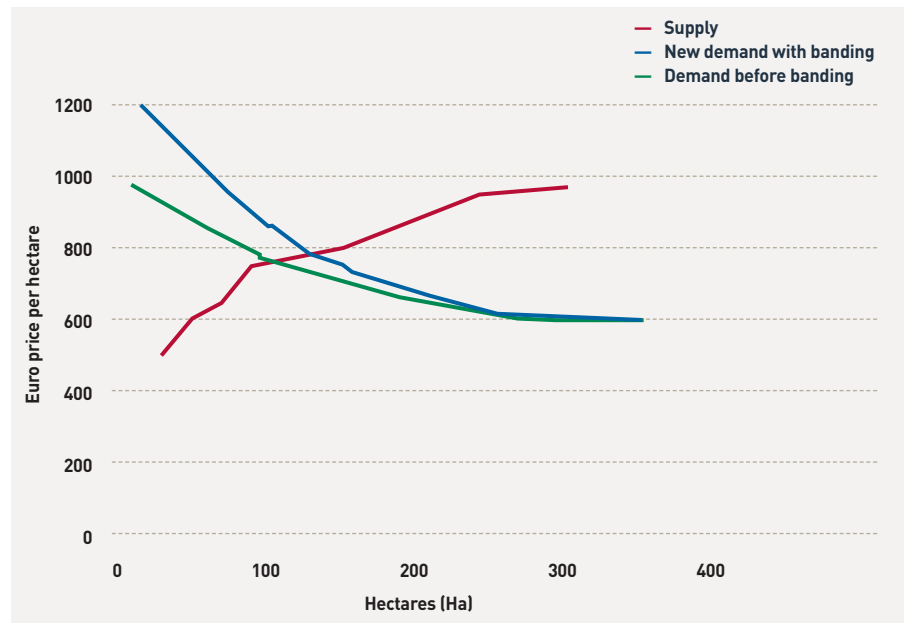


FIGURE 2: Potential effect of banding on hypothetical local land rental market – Case A.

under this status and most of these being dairy farms. The estimation of organic N is based on a series of coefficients for each livestock type. Up to 2023, a common coefficient was applied for each dairy cow in the country, i.e., 89kg of N per cow. With the introduction of so called “banding” in 2023, there are now three new specific N coefficients that can be applied to cows depending on the level of their milk yield.

Table 1 shows the criteria, which are used to categorise dairy farms into banding categories according to the milk yield per cow. The implications of these banding regulations are particularly important for the subset of dairy farms in the highest band, i.e., where the average milk yield per cow exceeds 6,500kg. On these farms, the coefficient for organic N increases from 89kg per cow to 106kg per cow (an increase of 19%). Many of these farms have derogation status. Recent Teagasc analysis indicates that about one-fifth of specialist dairy farms in 2021 have milk yields above 6,500kg per cow (Teagasc 2023). In order to maintain current levels of milk production, many of

these farms will need to either increase their land area or reduce milk production in the short term.

So what are the implications for the land market?

Under standard economic theory, the demand for land (suitable for dairy farming) will increase in terms of both the volume of land demanded and the willingness to pay for each hectare of land. Prior to the policy change, many dairy farmers already had a latent demand to access more land. The available statistics point to the growth in the land area farmed by dairy farmers in recent years. The introduction of banding further raises the demand for additional land on many dairy farms. Farmers in the highest band are expected to increase their willingness to pay for land due to the estimated costs (or foregone profit) associated with reducing production. This is purely a demand for additional land to adhere with regulatory requirements, whereas previous demands for additional land were often motivated by a desire to

expand herd size to increase milk production. Medium- and long-term land leases are increasingly important in dairy regions. In a thin land market, dairy farmers will have limited opportunities to avail of such leases and the new regulatory measures are likely to heighten the willingness to pay for land in order to secure access to the additional leased land for the medium and longer term. Quite how much of an impact this might have on the land market is likely to vary by region and even locality. It might be expected that the impact on the land market might be more acute in regions where dairy is the dominant farm enterprise and where stocking rates are higher. These dynamics can be summarised in a conceptual model of supply and demand in the land rental market. Note that the land values mentioned in the subsequent examples are purely for expositional purposes and should not be interpreted as a forecast outcome. In the first example, Case A, **Figure 2** shows the potential impact in a locality where half of all farm holdings are dairy farms and where there is a willingness among some

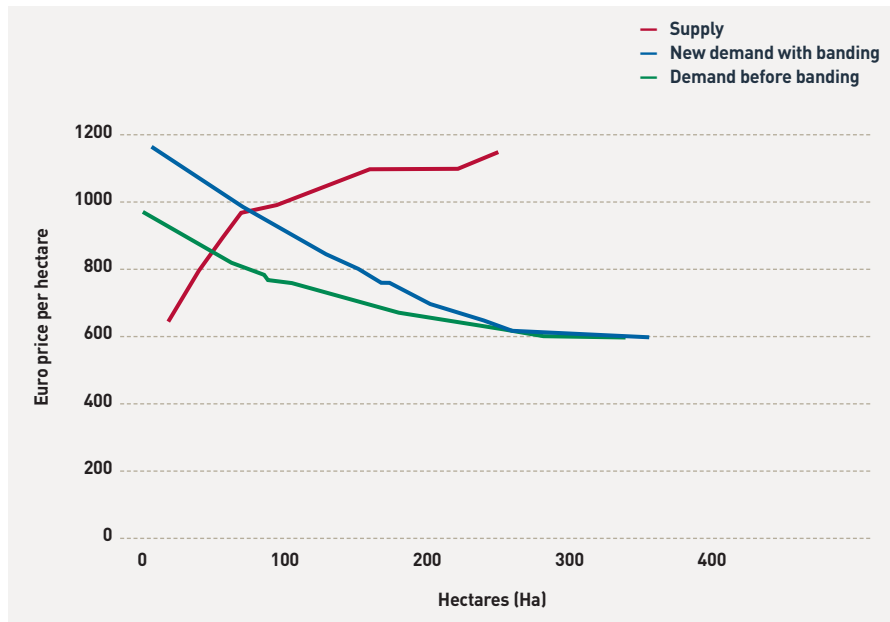


FIGURE 3: Potential effect of banding on hypothetical local land rental market – Case B.

IT IS ASSUMED THAT THE HIGHEST BIDS FOR RENTED LAND EMERGE FROM THE DAIRY FARMS IN THE HIGHEST BANDING CATEGORY.

drystock farmers to consider letting-out additional land. It is assumed that one-fifth of dairy farms are operating in the highest banding category. In Case A, the initial equilibrium price is below €800 per hectare (i.e., where supply and demand intersect) and increases moderately to €800 per hectare as a result of the additional demand from dairy farmers. This outcome can emerge where there are a significant number of local landowners willing to supply additional land. In this example, there is some increase in the amount of rented land due to the regulatory policy change and the associated additional demand for land from dairy farmers.

Rental activity increases in this locality by about 130 hectares. It is assumed that the

highest bids for rented land emerge from the dairy farms in the highest banding category (both before and after the introduction of banding).

Case B is depicted in **Figure 3**, which shows an example where very few landowners are willing to lease out their land. In this example, the locality has the same strong dairy presence, with half of all holdings in dairy farming and half of these dairy farms in the highest banding category. The decision-making of landowners is quite different, with a much greater reluctance to let-out additional land. In this locality, the impact of the banding policy is to raise the rental price from just above €800 per hectare to almost €1,000 per hectare, with little improvement in the amount of land rented.



Other measures

In addition to the banding policy, there are five other key changes to the nitrates regulations for 2023.

This includes the extension of the closed periods for slurry spreading and soiled water storage, and the mandatory use of soil sampling on arable farms and farms with a livestock intensity above 130kg organic N per hectare.

There are also some increased regulations in relation to buffer strips on tillage land. Low-emission slurry spreading (LESS – trailing shoe, trailing hose or injection methods) increases N retained in slurry and reduces the need for chemical fertiliser, and reduces N losses to the environment.

Data from the Teagasc National Farm Survey indicate that 67% of slurry applied on dairy farms in 2021 was via LESS methods (Buckley and Donnellan 2022).

The compulsory use of LESS has been introduced in 2023 for farms with a grassland stocking rate in excess of 150kg organic N per hectare. This is a phased measure. This practice becomes compulsory



THIS ANALYSIS SHOWS THAT THE IMPACT OF THE BANDING POLICY ON THE AGRICULTURAL LAND RENTAL MARKET COULD BE HIGHLY DEPENDENT ON THE FARMING STRUCTURES IN A LOCALITY AND THE WILLINGNESS OF LANDOWNERS TO LET OUT ADDITIONAL LAND.

for farms above 130kg organic N per hectare in 2024 and above 100kg organic N per hectare in 2025.

Summary

This analysis shows that the impact of the banding policy on the agricultural land rental market could be highly dependent on the farming structures in a locality and the willingness of landowners to let out additional land. Approximately one-fifth of all dairy farms operate in the highest banding category, where milk yields exceed 6,500kg per cow. Economic theory suggests that localities with a high density of these farms will experience a larger increase in rental prices than other regions.

This is particularly the case in localities where few landowners are willing to rent out additional land. In both of the examples presented above, it is assumed that the largest bids for rented land emerge from dairy farms operating in the highest banding category. Some farmers will be outbid in the local land market, including tillage and drystock farms. In those situations, the challenge for tillage and drystock farmers may be to hold on to their existing access to rented land. Many medium- and long-term land lease contracts are fixed in price until the contract comes to an end. However, the banding policy could eventually impact the price of these previously arranged land leases. The analysis shows that the policy

impact could be much more benign in localities where a significant number of landowners are interested in letting out land. The banding policy is also likely to have an impact on the land sales markets.

Parcel sizes are an important consideration in both the land sales and land rental markets. Relatively small additional parcels can help dairy farmers to limit the impact of the policy change on production levels. However, the challenge is particularly acute for those dairy farmers operating in the highest banding category. In addition, young and new entrant farmers may face even higher land prices in places where there is a high concentration of these dairy farms.

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OVERVIEW OF IRISH AGRICULTURE BY REGION



While there are no radical differences in climactic 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 2020 Census of Agriculture, produced by the Central Statistics Office (CSO), provides detailed information on the regional pattern of agricultural activity and farm structures in Ireland. The CSO also produces regional economic accounts for agriculture on an annual basis and these allow us to see regional differences in agricultural output and agricultural incomes earned across Ireland. Census of Agriculture data can be presented at NUTS III level, which is the

same level of aggregation used in the CSO Regional Accounts for Agriculture.

The prevalence of various farm types (and associated land uses) differs regionally, as illustrated in **Figure 4**, which shows data for 2020. Comparing results with the CSO Farm Structures Survey of 2016 indicates that very little had changed in the intervening years in the structure of Irish farming. In 2020, farms classed as specialist beef production accounted for the largest number of farms in every region, with the proportion highest in

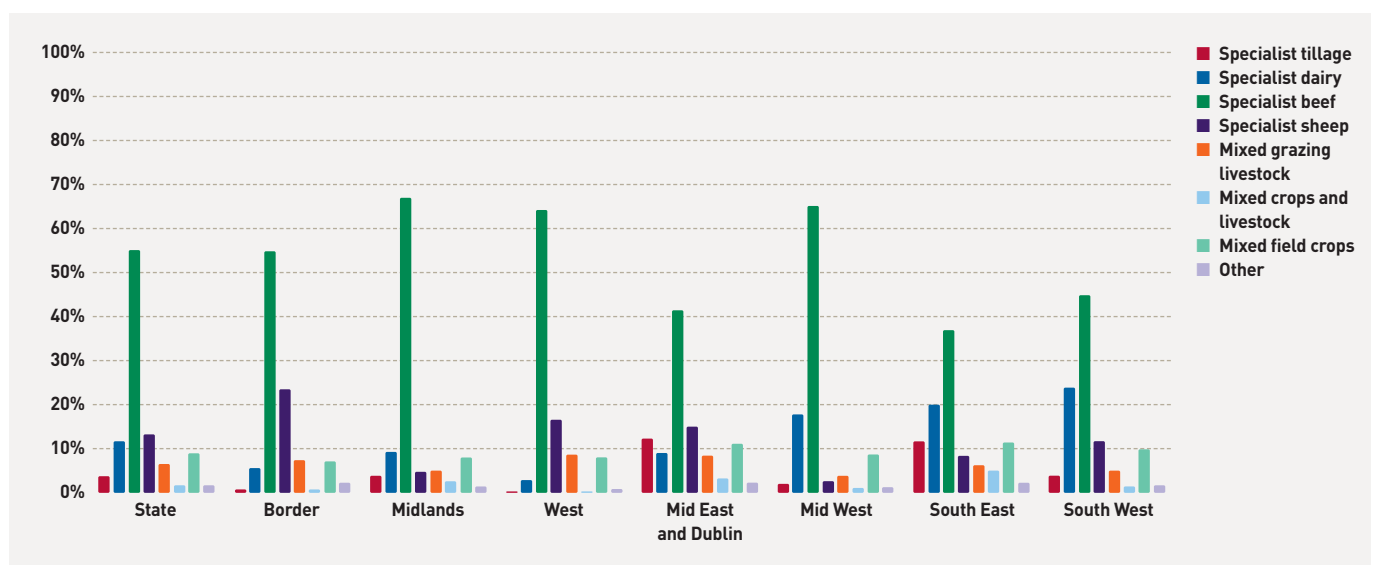


FIGURE 4: Prevalence of farm type by NUTS III region in 2020. Source: CSO Agricultural Census.



the Midlands (67%) and lowest in the South-East region (47%).

The regional importance of dairy and tillage farming varies substantially. In the South West (Cork and Kerry) over 23% 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), over 11% of farms are specialist tillage farms. Specialist tillage farms represented 12% of farms in the Mid East (Kildare, Meath and Wicklow) and Dublin region. Relatively few tillage farms are found outside of these two regions. 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 2021, as illustrated in **Figure 5**. Agricultural output is the value of what is sold by farmers. The prominence

of cattle output can be observed across all regions, with the cattle output share varying from 23% in the Mid East and Dublin region, South West region and South East region, to 55% 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 milk is highest in the South West, at 59%, Mid West, at 49% and South East, at 44%.

The continuing growth in milk production of recent years has pushed milk production

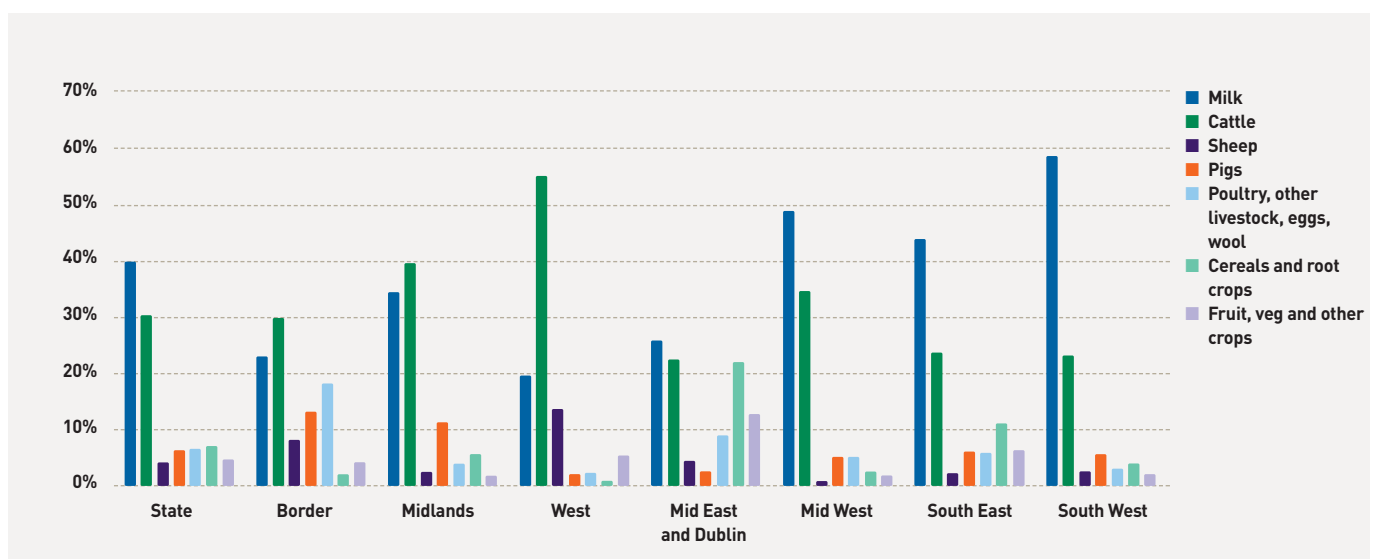


FIGURE 5: Agricultural output (excluding forage) at producer prices 2021: shares for each system by NUTS III Region. Source: CSO Regional Account for Agriculture 2021.

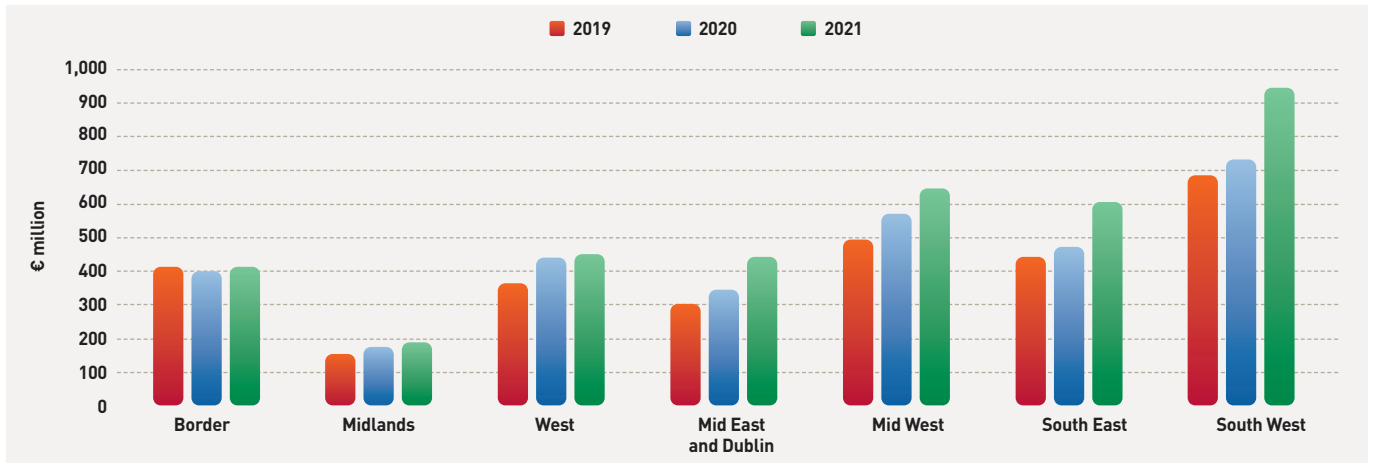


FIGURE 6: Agricultural operating surplus (farm income) by NUTS III Region. Source: CSO Regional Account for Agriculture 2021.

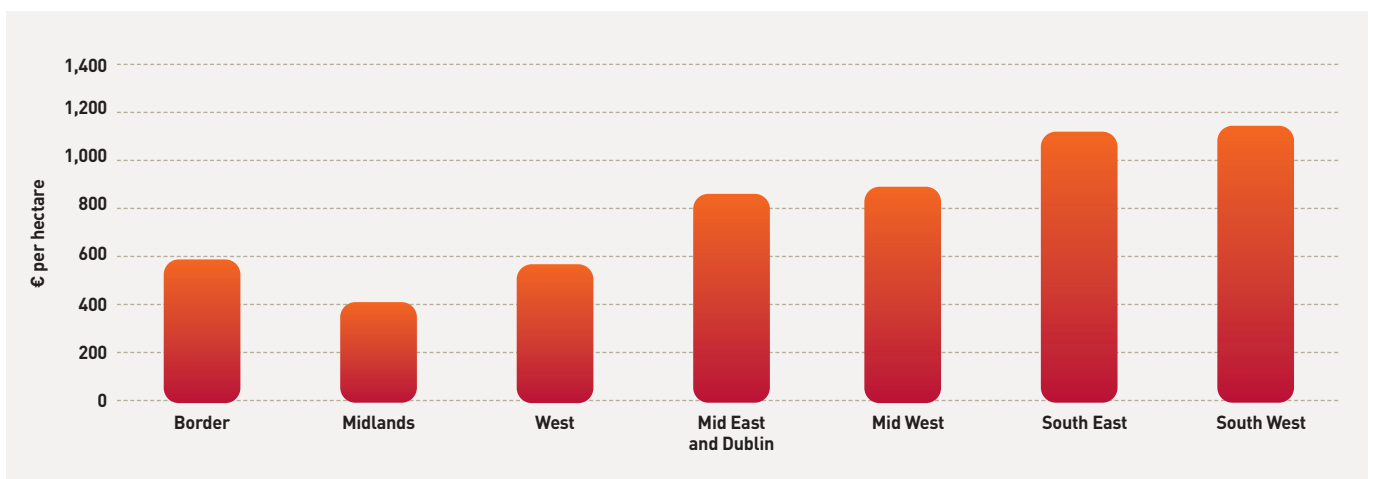


FIGURE 7: Agricultural operating surplus (income) per hectare by NUTS III Region 2021. Source: adapted from data in the CSO Regional Account for Agriculture 2021.

(40%) 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 heartlands of the South West, Mid West and South East, where milk production is by some distance the largest sector in output value terms in 2021. Milk production was also the largest sector in output value terms in the Mid East and Dublin region in 2021.

Figure 6 illustrates the considerable difference in operating surplus (income) across the NUTS III regions. An important caveat here is that the regions differ considerably in geographic size (agricultural

area), but even so, the prevalence of highly profitable dairy farming in the South West, Mid West and South East contributes to the higher level of aggregate income reported in these regions. We can control for the difference in agricultural area across the various regions and calculate income on a per hectare basis in each NUTS III region, as presented in Figure 7. This shows that it is the South-West region which has the highest level of income per hectare at over €1,150 and the Midlands has the lowest at just over €420 per hectare. The differential in income per hectare across the regions reflects the type of agricultural activities that dominate

and the intensity of agricultural production in each area. Regions where dairy and tillage are prevalent tend to be farmed more intensively and produce a higher level of income than regions where more extensive beef and sheep production dominates. This type of income per hectare measures is also influenced by the location of indoor systems for pig and poultry production, which require relatively little land area in comparison with the income generated.

The varying regional prevalence of dairying and tillage output is mirrored in the importance of income subsidies in total agricultural sector income by region,

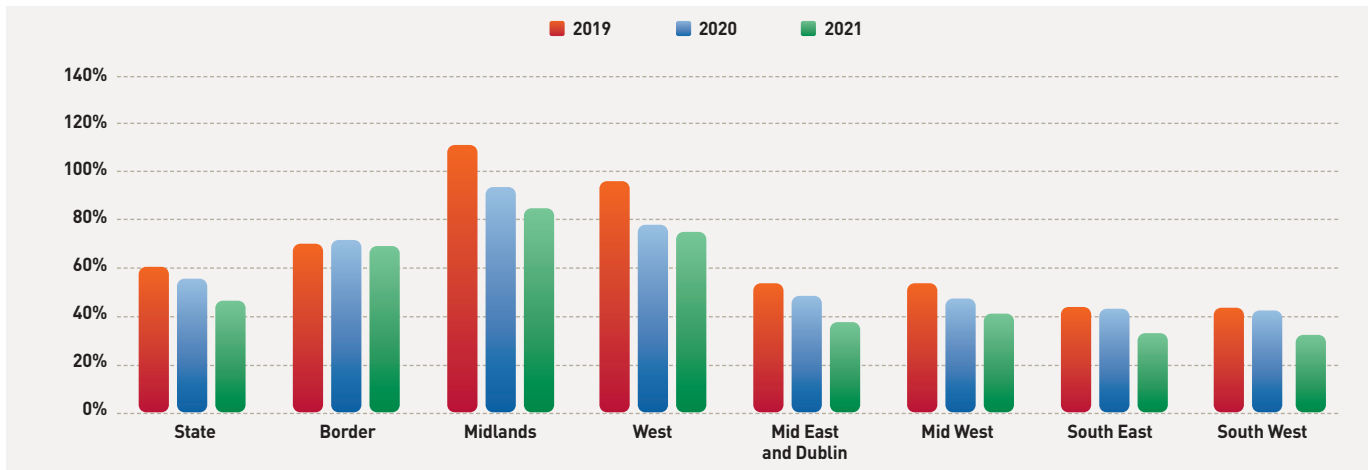
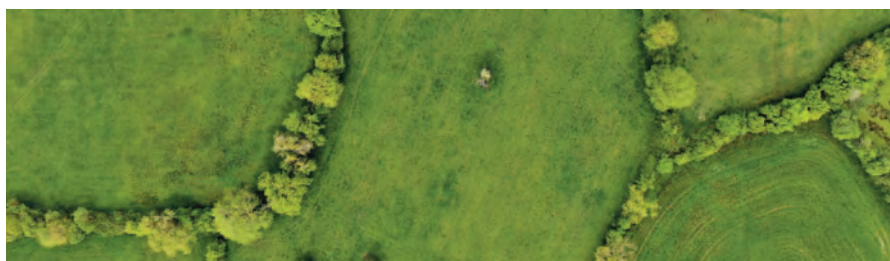


FIGURE 8: Net subsidies as a share of agricultural sector income in 2019-2021 by NUTS III Region. Source: CSO Regional Account for Agriculture 2019-2021.

illustrated in **Figure 8**. The most recent data that is available relates to 2021. Regions with a greater share of their agricultural activity in farming that is profitable tend to have the lowest share of subsidies in their farm income. A clear divide is evident between southern/eastern regions on the one hand and midlands/western/border regions. 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, on average receiving a smaller share of their farm income in the form of subsidies compared to other farm types. 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 the output produced was less than production costs incurred in producing it, with the losses eating into the value of the income subsidies. At a national level, income subsidies accounted for 47% of agricultural

sector income in 2021, which is lower than in 2020 or 2019. In all regions the share of subsidies in income in 2021 was lower than in either 2020 or 2019. At the regional level, in 2021 the share of income derived from subsidies was lowest in the South-West region at 32%, closely followed by the South-East region at 33%, while the share of income represented by subsidies was highest in the both the Midlands and the West regions, at 85% and 75% respectively. This dramatic difference between the South West/South East and Midlands/West can largely be explained by the higher share of dairy farms found in the South East and South West.



INCOME SUBSIDIES ACCOUNTED FOR 47% OF AGRICULTURAL SECTOR INCOME IN 2021, WHICH IS LOWER THAN IN 2020 OR 2019.

Further reading

- CSO (2022). Regional Accounts for Agriculture 2021. Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-raa/regionalaccountsforagriculture2021/>.
- CSO (2021). Census of Agriculture 2020 – Preliminary Results. Available at: <https://www.cso.ie/en/releasesandpublications/ep/p-coa/censusofagriculture2020-preliminaryresults/>.

LAND MARKET SURVEY



Overview of research

The SCSI/Teagasc Land Market Review & Outlook 2023 report is informed by expert SCSI members who provide auctioneering, agency, rental and valuation services to clients.

These Chartered Surveyors are active in all counties in Ireland, and are typically employed by property firms that provide agricultural and general practice professional property consultancy on the agricultural land market.

A total of 134 responses were received from the SCSI/Teagasc Agricultural Land Report online and phone survey.

The survey was completed from January to February 2023, with 51% of respondents located in Leinster, 26% in Munster, and 23% in Connacht/Ulster.

The report provides average land values for various plot sizes and quality of land.

Trends in 2022 and outlook for 2023

Transactional values

National average land values per acre (non-

residential) for poor quality land in 2022 were €5,564, up by 5% in 12 months, and national average land values per acre for good quality land in 2022 were €11,172, up by 2% in 12 months (Tables 2 and 3). The outlook for the 2023 land market is forecasting an 8% increase in national average land values.

Agricultural land transactional activity

To easily track trends and overall activity in the current and previous years, four indices were developed as follows.

Volume of farmland sold – index

The land transaction market in 2022 remained strong across all regions. The

Table 2: National average land values (per acre) 2022 (non-residential land).

		Year-on-year percentage change
Poor quality land	€5,564	5%
Good quality land	€11,172	2%
Quality of land value differential	€5,608	

Source: SCSI research.

Table 3: National average land values by land quality (per acre) 2022 (non-residential land).

Plot size	Poor quality	Percentage change	Good quality	Percentage change
Up to 50 acres	€6,054	6	€12,164	3%
51-100 acres	€5,494	3	€11,347	4%
Over 100 acres	€5,143	5	€10,004	-1%

Source: SCSI research.



Each parcel of agricultural land that comes to the market for sale has unique features (such as location, soil quality, topography, development potential) and these factors have a significant impact on land values. The average land values provided within this report are average valuation opinions of land values for various plot sizes and quality types across each county. There will be cases whereby

actual land values for individual parcels of land will be higher or lower than the averages reported. For those who are considering acquiring, disposing, renting or seeking a valuation of land, it is prudent to seek independent professional advice from a property service provider. Chartered professionals operating in this area can be sourced at: www.scsi.ie/my-public-detailsfind-an-expert/.

activity levels of land sold in 2022 was similar to 2021, according to respondents of the survey. The volume of land sold index (**Figure 9**) was +29 in 2022 compared to +31 in 2021. This index recovered significantly from -4 in 2020 due to Covid 19 restrictions, which affected the number of sales transactions during this period.

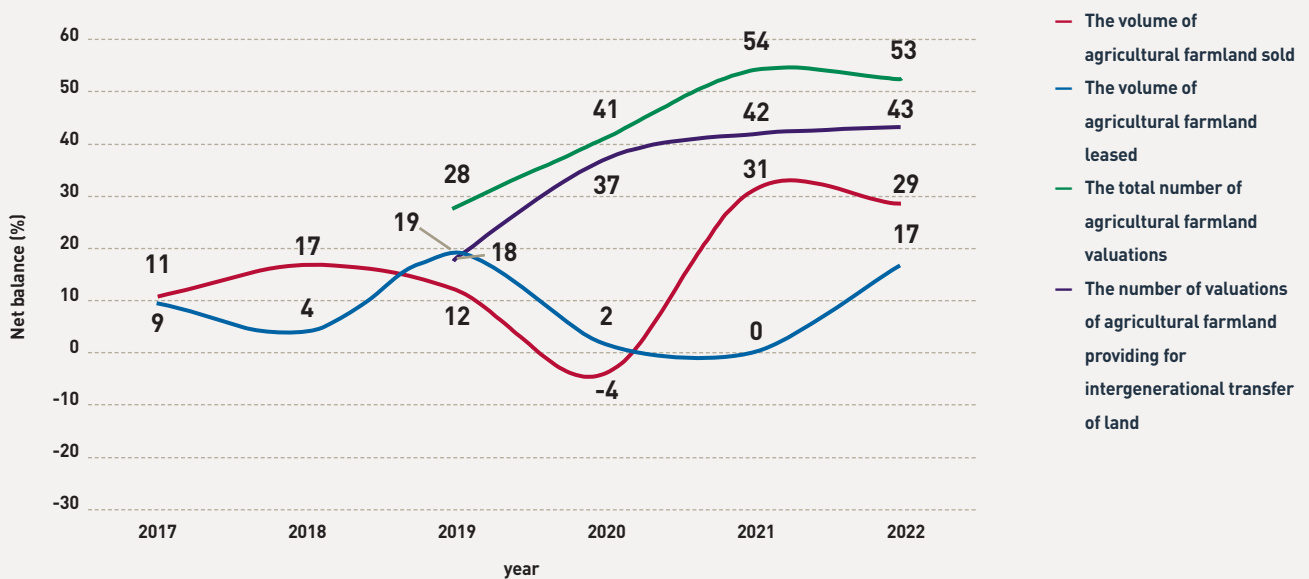


FIGURE 9: National Activity Levels (net balance) 2017-2022. Source: SCSI Research. Net balance = proportion of respondents reporting a rise in a variable (e.g., volume of land sold) minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100.

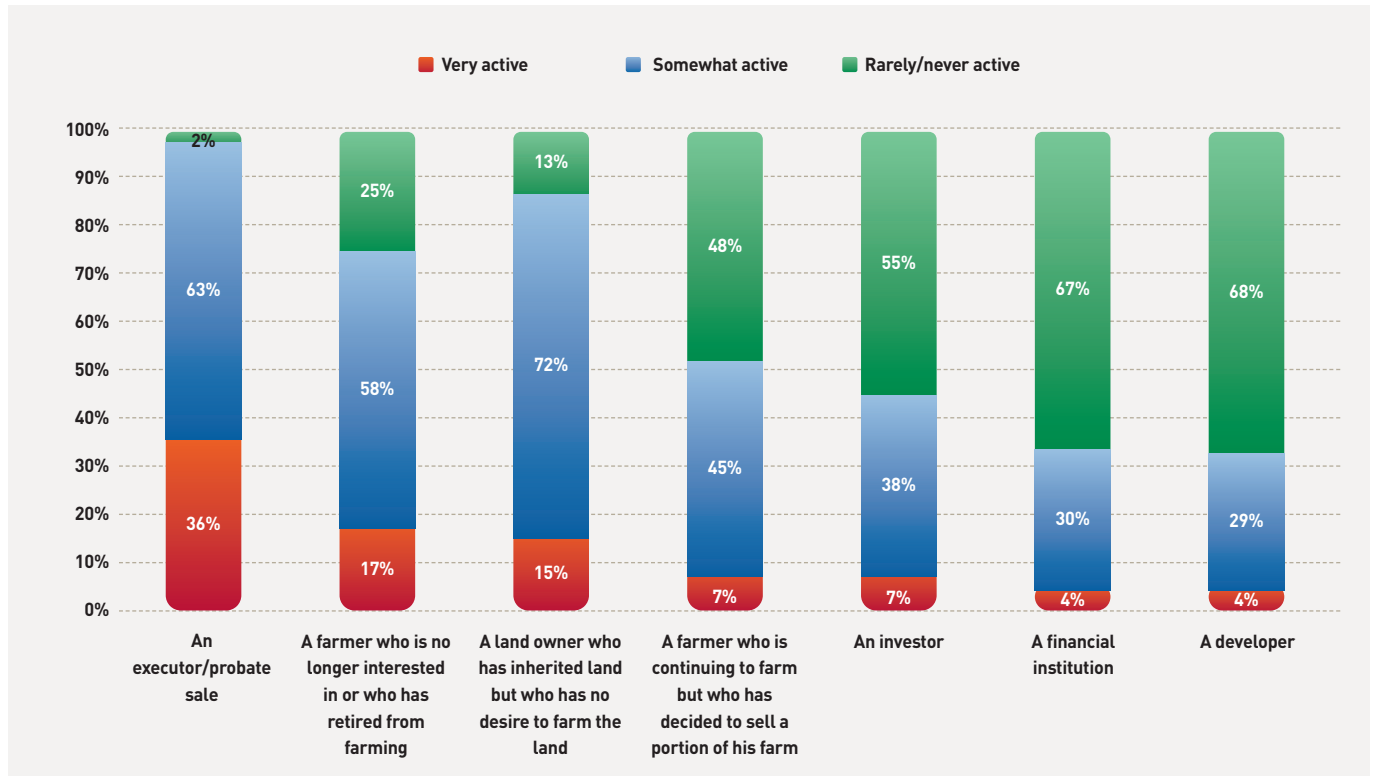


FIGURE 10: Activity levels in 2022 for selling agricultural farmland by seller type. Source: SCSI research. Note: figures may not add to 100 due to rounding.

Volume of farmland leased – index

This index tracking the volume of farmland leased has recovered somewhat since a recent trough in 2020. The Agri-Tax Review Report of the Working Group for the Department of Agriculture, Food and the Marine (DAFM) in 2015 and the subsequent changes to taxation policy relating to long-term leases have resulted in more leasing land coming to the market. Commentary from the survey suggested that the volume of land leased this year and next may increase, as land locked into long-term leases previously may become available again to the market.

Number of farmland valuations – index

Farmland valuations are provided by valuers for a variety of reasons such as the Fair Deal Scheme, probate and other taxation reasons. This index reports a steady increase in the level of farmland valuations taking place in recent years: +28 in 2019 to +53 in 2022.

Number of farmland valuations, intergenerational transfer of land – index

This index is a useful monitor of non-market transfer of ownership activity, as not all land that changes ownership is transacted on the market. The index recorded a steady rise in the

number of valuations carried out by respondents since the data was recorded in 2019. While there cannot be a conclusive rationale behind the steady increase in valuations for the intergenerational transfer of land, there is a broad acknowledgement from respondents that more efforts are being made in relation to succession planning and transferring of land to the next generation.

Activity levels by seller type

Executor/probate sales are the most active type of farmland sales. A total 36% of respondents reported that probate sales are very active in their location (Figure 10). A ‘farmer who is no longer interested, willing or who has retired from farming’ was the second most active seller type in 2022, according to 17% of respondents who believe these sellers were very active. This is up from 6% in 2021. Investors, financial institutions and developers continue to be least active seller types in 2022.

THE INDEX RECORDED A STEADY RISE IN THE NUMBER OF VALUATIONS CARRIED OUT BY RESPONDENTS SINCE THE DATA WAS RECORDED IN 2019.

COUNTY LAND VALUES – QUALITY AND PLOT SIZE



Introduction

This is the third year where our SCSI/Teagasc report has published findings on a county basis, while also providing values for land that's considered either of poor or good quality. Assessing land value data on a county basis provides a deeper understanding of how values have changed over the years. It's also important to distinguish the price differences in poor and good quality land, as each possesses different crop-growing abilities that typically make good quality land preferable for certain agricultural practices. According to the data, the national average differential between good and poor quality land is €5,608 on a per acre basis. As a national average, this highlights that buyers can often pay multiples per acre for good quality land compared to what is paid for poorer quality land. There are several significant reasons why values may differ, such as good

quality land possessing better soil fertility, soil structure and percolation abilities. Therefore, the land itself is easier to farm and more advantageous for more farming practices. As part of this research, the SCSI gathered average land values for non-residential farms. Many farms however are sold with residences and ancillary buildings and farmyards. This can have a significant impact on land values per acre when residential land is sold (**Table 4**).

Typically, residential farms of less than 50 acres brought to the market are on average between 14% and 19% more expensive than non-residential farms of a similar size. For mid-sized residential farms (i.e., between 50 and 100 acres) the percentage premium can be between 11% and 17%, and for plot sizes over 100 acres with a residence, the average premium compared with a non-residential farm of a similar size is between 9% and 14%.

Table 4: Average residential farm values compared with non-residential farm values – percentage premium for land with a residence.

Plot size	2022 average price difference (per acre)	2021 average price difference (per acre)
Less than 50 acres	14%	19%
Between 50 and 100 acres	11%	17%
Over 100 acres	9%	14%

Source: SCSI research.

Leinster (excluding Dublin) land values

On average, good quality land in Leinster (excluding Dublin) is valued between €11,000 per acre (same as in 2021) and €15,333 per acre (€15,350 in 2021), dependent on plot size and location (Table 5). Poor quality land is valued between €5,333 (up from €4,667 in 2021) and €9,417 (up from €9,125 in 2021). Demand for farmland remains high in this province. Commentary from the member survey suggests that good arable land or land close to any sizeable dairy farming enterprises tends to attract strong interest and competitive bidding. On the contrary, land agents report that changes to the Nitrates Directive, as mentioned in this report's Special Feature, will reduce animal stocking rates and but may also impact land values. On a county-by county basis, Longford once again had the lowest average value for poor quality land less than 50 acres (€5,333 per acre in 2022 and €4,667 in 2021). Kildare once again recorded the highest average rate per acre for non-residential land at €15,333 per acre (€15,350 per acre in 2021) for good quality land under 50 acres.

Tintine, The Rower, Co. Kilkenny



Sold: €610,000 at auction

Sales agent: Anne Carton, PN O'Gorman Auctioneers, New Ross

A non-residential holding of 32.7 acres (13.2ha) of top-quality land and forestry

Table 5: Average values per acre 2022 – Leinster excluding Dublin (non-residential farmland, without entitlements).

	Less than 50 acres		Between 50 and 100 acres		Over 100 acres	
	Poor quality	Good quality	Poor quality	Good quality	Poor quality	Good quality
Louth	€9,417	€13,917	€8,667	€13,417	€8,250	€13,500
Meath	€8,750	€15,200	€8,550	€13,750	€8,500	€13,850
Wicklow	€7,375	€13,875	€6,875	€13,500	€6,563	€12,875
Wexford	€9,143	€14,857	€8,714	€14,071	€8,179	€13,571
Kildare	€9,083	€15,333	€8,833	€15,167	€9,250	€14,667
Carlow	€8,250	€14,250	€7,000	€14,250	€6,875	€12,875
Kilkenny	€8,400	€14,200	€7,500	€13,200	€7,350	€12,700
Laois	€7,357	€13,357	€6,929	€13,214	€6,214	€12,714
Offaly	€6,800	€11,500	€5,600	€11,600	€5,700	€11,000
Westmeath	€6,960	€13,300	€7,000	€12,800	€6,150	€13,700
Longford	€6,000	€12,167	€6,167	€11,500	€5,333	€11,667

Source: SCSI research.

County land values – quality and plot size

Munster land values

On average, good quality land in 2022 ranged from €7,750 per acre (over 100 acres – €8,250 in 2021) to €17,400 (€15,071 in 2021) (Table 6). For poor quality land, prices ranged from €2,667 to €7,750 (€2,375 to €7,688 in 2021). As with other provinces, land values differ significantly across Munster depending on factors such as plot size, location and other attributes including access, road frontage, etc.

Within Munster, on a county level, Clare recorded some of the lowest average values per acre at €2,667 per acre (poor quality over 100 acres). Waterford recorded some of the highest average values at €17,400 per acre for good quality land in the plot size category 50-100 acres.

According to feedback from an SCSI Munster region member, one of the main drivers of the agricultural land market in 2022 was: “A heightened interest from individuals with their own funds to invest in land and guard against the effects of general inflation”.

Rocketts Castle Estate, Portlaw, Co. Waterford

Sold by private treaty. Guide price: €3,250,000

Sales agent: Savills Residential & Country Agency

Large estate overlooking the River Suir with a private situation. About 250 acres.

Table 6: Average values per acre 2022 – Munster (non-residential farmland, without entitlements).

	Less than 50 acres		Between 50 and 100 acres		Over 100 acres	
	Poor quality	Good quality	Poor quality	Good quality	Poor quality	Good quality
Waterford	€7,000	€15,000	€6,800	€17,400	€4,800	€10,800
Cork	€7,750	€14,250	€6,000	€15,000	€7,188	€12,150
Kerry	€6,800	€13,200	€5,800	€13,000	€5,100	€11,400
Tipperary	€6,225	€14,938	€5,550	€14,813	€5,600	€13,375
Limerick	€4,800	€12,500	€4,800	€12,200	€4,700	€11,000
Clare	€4,125	€8,813	€3,825	€8,150	€2,667	€7,750

Source: SCSI research.

Connacht/Ulster land values

On average, good quality land in the Connacht/Ulster region ranged from €3,563 (€3,375 in 2021) to €12,143 per acre (€13,375 in 2021) (**Table 7**).

For poor quality land, prices ranged from €2,040 to €5,375 per acre (€2,375 to €7,688 in 2021).

The least expensive land in Connacht/Ulster in 2022 was in Mayo (€2,040 per acre for plot sizes over 100 acres), with the most expensive land on average in

Connacht/Ulster located in Donegal at €12,143 per acre for good quality parcels less than 50 acres.

Taking poor and good quality land across all the three plot sizes, the land market remains very active and strong over the past 12 months, as evidenced in the land value data (**Table 7**), with good quality land in highest of demand.

Moylough, Galway



Reserved on 44 acres. Sold: €772,000 by auction.
Sales agent: Murtagh Bros Auctioneers

Gleneely, Co. Donegal



A non-residential holding of 38 acres of good quality land.
Sold: €600,000 by private treaty
Sales agent: McCauley Properties

Table 7: Average values per acre 2022 – Connacht/Ulster* (non-residential farmland, without entitlements).

	Less than 50 acres		Between 50 and 100 acres		Over 100 acres	
	Poor quality	Good quality	Poor quality	Good quality	Poor quality	Good quality
Galway	€5,375	€9,500	€4,083	€8,583	€3,250	€7,875
Leitrim	€3,300	€6,140	€3,020	€4,580	€2,980	€3,590
Mayo	€3,625	€10,092	€2,933	€6,783	€2,040	€4,000
Roscommon	€4,188	€9,938	€3,688	€8,000	€2,813	€3,563
Sligo	€4,250	€9,550	€4,058	€7,850	€4,167	€8,100
Donegal	€3,786	€12,143	€3,693	€8,000	€3,786	€8,400

Source: SCSI research. *Monaghan and Cavan – insufficient level of land value data provided.

LAND RENTALS IN 2022

Auctioneers also provide an invaluable service to landowners and farmers with the leasing/conacre lettings of farmland. The share of agricultural land that transacts for sale annually is approximately 0.5% (CSO, 2020), which is a main reason for a strong agricultural land letting market.



This is vital to ensure farmers get access to land for growing crops and rearing animals.

There has been an uplift in demand over recent years for long-term leases, with income tax relief expanded by the Department of Finance in 2015. This has encouraged a greater degree of land leasing with longer leasing durations.

LEINSTER

Leinster rental values saw an average increase across all farming uses except potato growing (Table 8).

Overall, rental rates across all farming/land use types increased by 9% on average.

Agents across this province indicated that the Nitrates Directive had an inflationary

impact on rental values, although there are signs of this tapering off into the 2023 rental season. Land close to larger dairying or tillage operations often attracts

much higher interest and competition on the land rental market, with some larger plots with good vehicular access for large machinery in high demand.

Table 8: Land rental values in Leinster – 2022 compared to 2021 (€/per acre).

Rental use	2021	2022	Percentage change
Grazing/meadowing/silage	€245	€266	9
Grazing only	€215	€248	15
Cereal crops (e.g., wheat, barley, oats)	€259	€290	12
Potato crops	€463	€439	-5
Other crops such as sugar beet, maize and beans	€323	€370	15

Source: SCSI research.

MUNSTER

Auctioneers across Munster reported an uplift in average rental values across all land types in 2022 when compared to the previous year (Table 9). This differs from last year's findings when Munster experienced a downturn in potato crops and other crops such as sugar beet, maize and beans. Notably in Munster, land suitable for potato crops and other crops such as sugar beet, maize and beans increased by 15% for each category, while rental land suitable for cereal crops increased by an average of 14%. Across all farming uses, average rental values increased by 13%.

Table 9: Land rental values 2022 in Munster – compared to 2021 (€/per acre).

Rental use	2021	2022	Percentage change
Grazing/meadowing/silage	€231	€261	12
Grazing only	€221	€241	8
Cereal crops (e.g., wheat, barley, oats)	€244	€283	14
Potato crops	€326	€383	15
Other crops such as sugar beet, maize and beans	€256	€300	15

Source: SCSI research.

AUCTIONEERS ACROSS MUNSTER REPORTED AN UPLIFT IN AVERAGE RENTAL VALUES ACROSS ALL LAND TYPES IN 2022 WHEN COMPARED TO THE PREVIOUS YEAR

CONNACHT/ULSTER

Land suitable for grazing, meadowing and silage, and land suitable for grazing only both saw increases in rental values in Connacht/Ulster in 2022. Rental values increased by just 1% for land suitable for grazing, and by 5% for land suitable for grazing, meadowing and silage (Table 10).

Table 10: Land rental values in Connacht/Ulster – 2022 compared to 2021 (€/per acre).

Rental use	2021	2022	Percentage change
Grazing/meadowing/silage	€168	€176	5
Grazing only	€161	€162	1
Cereal crops (e.g., wheat, barley, oats)	No data	No data	No data
Potato crops	No data	No data	No data
Other crops such as sugar beet, maize and beans	No data	No data	No data

Source: SCSI research.

RENTAL VALUES INCREASED BY JUST 1% FOR LAND SUITABLE FOR GRAZING, AND BY 5% FOR LAND SUITABLE FOR GRAZING, MEADOWING AND SILAGE.

Leasing market

Half of respondents to the survey suggested the levels of land leased in 2022 in their region remained the same when compared to the levels reported in 2021. From a provincial perspective, there are differing levels of activity reported over the past 12 months. In Munster, 40% of respondents reported an increase in the demand, while just 20% of respondents in Connacht/Ulster reported an increase in the demand for long-term leases (Figure 11).

Figure 12 shows the net balance of reported changes to the demand for long-term leases since 2017. The data in this chart provides a more informative snapshot of leasing demand and the volume of conacre lettings. Agents report that the demand for land leasing is increasing significantly year on year.

In regard to conacre, a large proportion of agents reported that the area let for conacre had decreased when compared to 2021.

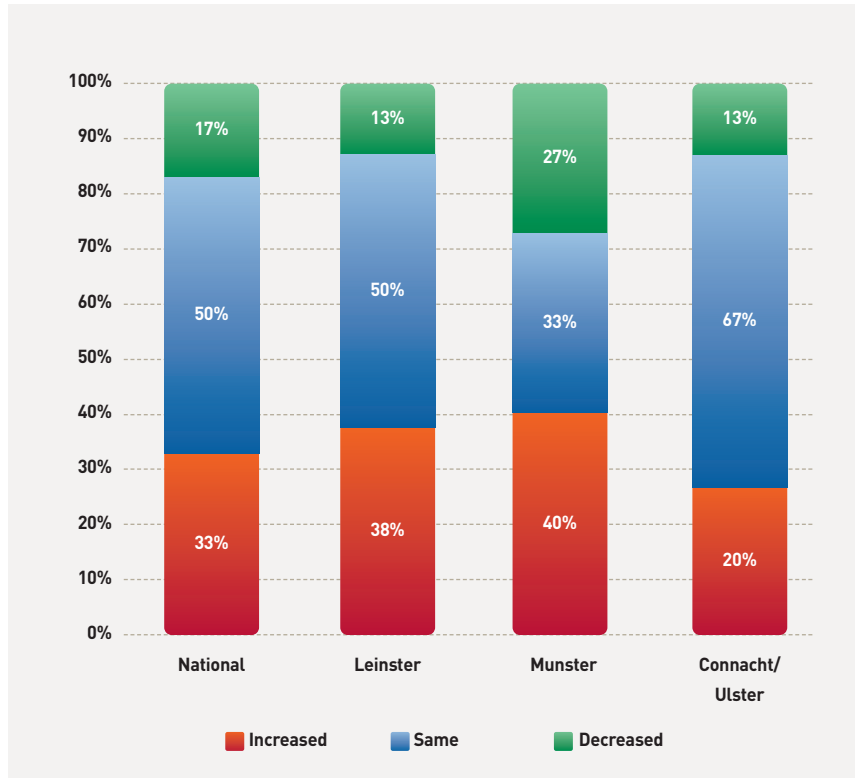


FIGURE 11: Demand for long-term leases. Source: SCSI research. Note: figures may not add to 100 due to rounding.

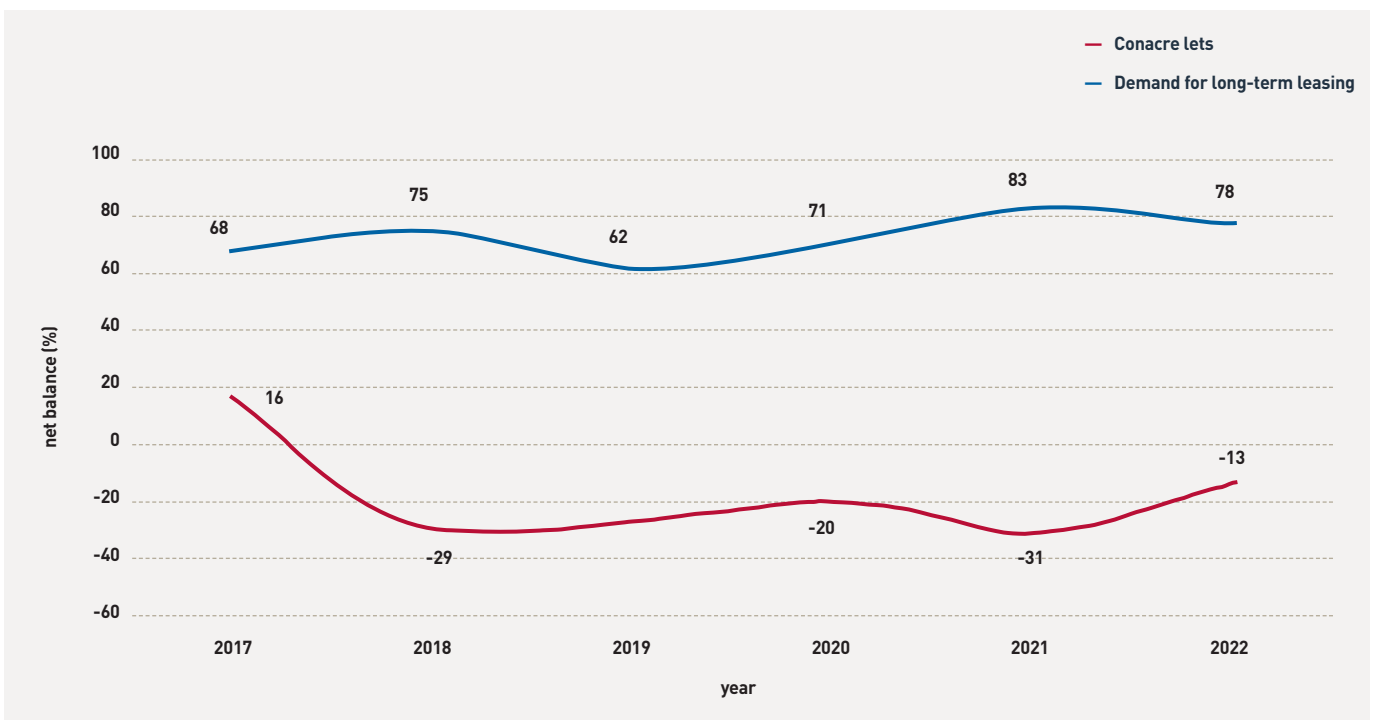


FIGURE 12: Agents' perspective (net balance) on the volume of conacre land transacted and the demand for long-term leasing. Source: SCSI research. Net balance = proportion of respondents reporting a rise in a variable minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100.

This trend shows a pattern of concrete letting activity decreasing since 2017.

Approximately half of respondents reported an increase in the average duration of lease agreements with just 2% reporting a decrease to the average duration in 2022 (Figure 13).

Land made available for leasing is reportedly driven largely by both farmers who are no longer interested or who have retired from farming (93% of agents report this cohort as being somewhat or very active), and landowners who have inherited land but have no desire to farm it themselves (90% of agents reported this cohort as being somewhat active or very active in 2022 – see Figure 14).

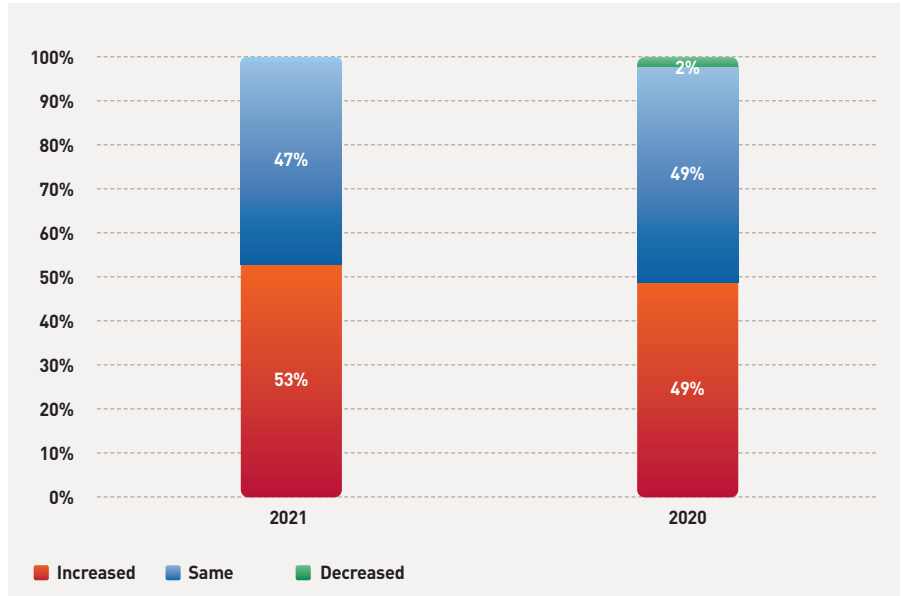


FIGURE 13: Agents' perspective on changes to the average duration of lease agreements 2022 (compared to 2021). Source: SCSI research. Note: figures may not add to 100 due to rounding.

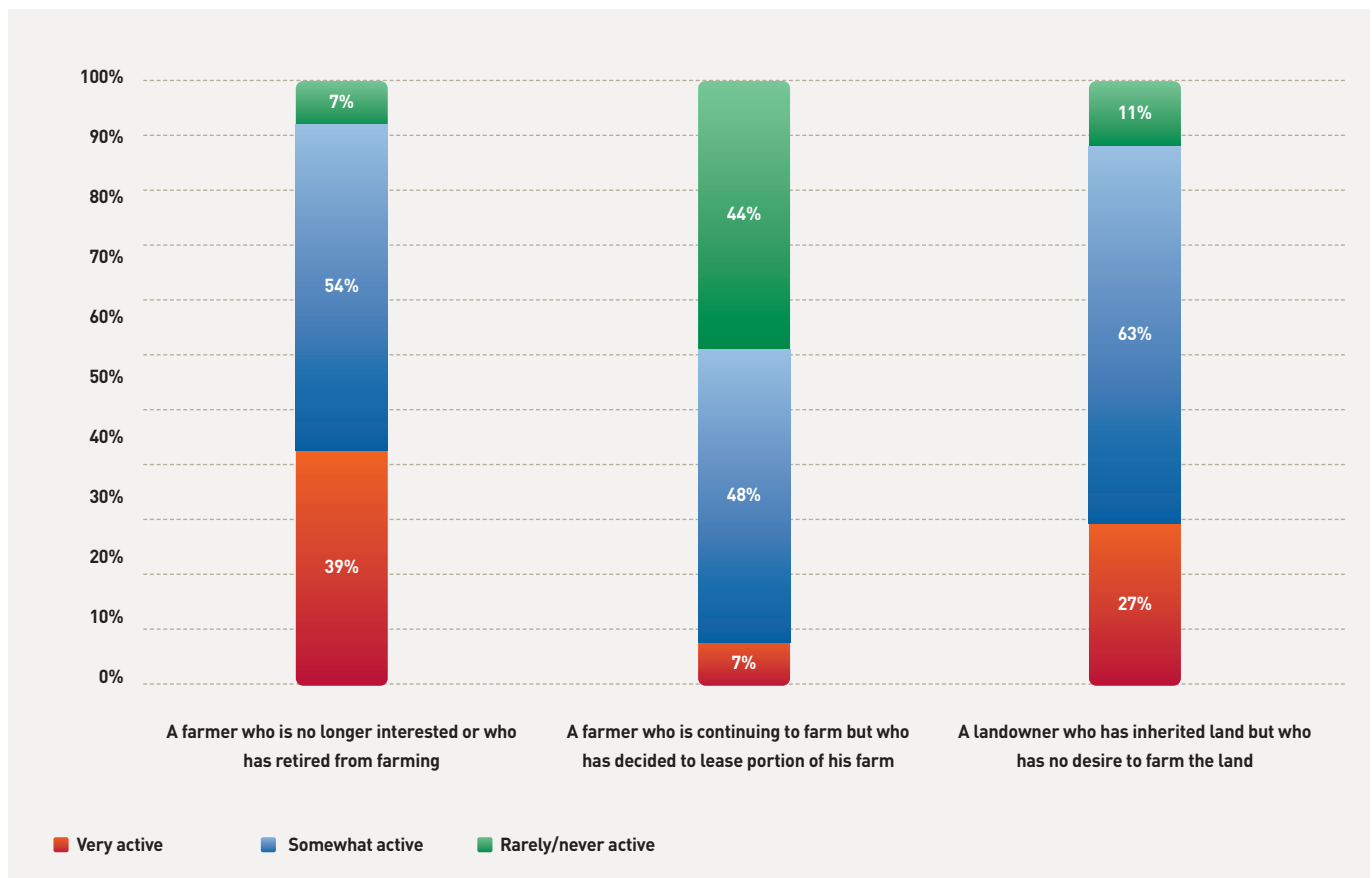


FIGURE 14: Leasing activity by landlord type 2022. Source: SCSI Land Market Survey.

Transaction methods

Figure 15 illustrates the average percentage share of transaction methods used in 2022 by SCSI agents. Agents estimated that 85% of transactions took place at in-person sales events in 2022, whereas 24% of transactions were hybrid events (a combination of in-person and online), and a further 12% were online only. In-person events are significantly more common and utilised for selling agricultural land, in comparison to online only and hybrid.



References

CSO Agricultural Land Prices (2020). Available from: <https://www.cso.ie/en/releasesandpublications/ep/p-alp/agriculturallandprices2020/keynationalindicators/>.

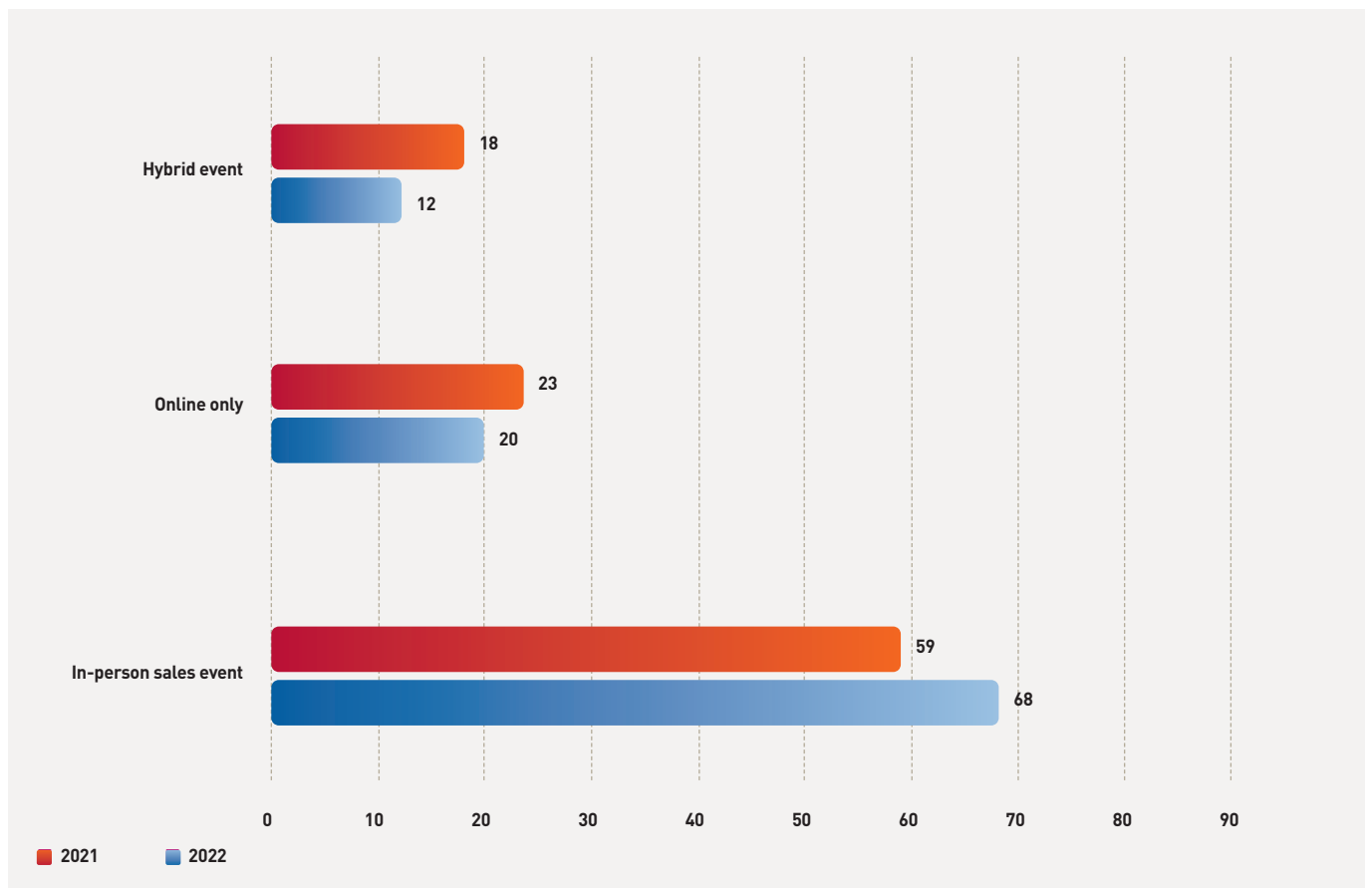


FIGURE 15: Percentage share of transaction methods used (auctions).
Source: SCSI research.

MARKET OUTLOOK

National average land values in 2022 for good quality and poor quality land are €11,172 and €5,564, respectively. The reported national average land values in 2021 were €10,963 for good quality land and €5,308 for poor quality land.



This represents a percentage change for the 12-month period of 5% and 2%, respectively. Agents nationally, and across all provinces, anticipate an increase in land values in 2023 (Table 11). Nationally, it is projected that the percentage increase in land values will average 8%. Provincially, Leinster, Munster and Connacht/Ulster are projected to experience an increase of land values by 7%, 8%, and 9%, respectively.

Table 11: Anticipated percentage change in land values in 2023.

National	8%
Leinster	7%
Munster	8%
Connacht/Ulster	9%

Source: SCSI Land Market Survey.

With stronger milk prices in 2022, many respondents highlighted that the dairy market has underpinned the value of good quality land sales. One respondent in Munster stated in the survey that: "Demand has continued to outstrip supply for land, dairy farmers are cash rich and if there is opportunity to buy land locally, they are in a position to make significant offers on land". There was a consistent trend in the type of commentary from other respondents suggesting that dairy farmers are also going to continue to require more land due to nitrate and environmental changes. However, the 2023 leasing market is beginning to see signs of rental value increases settling. It's also projected that the demand for good quality land is likely going to continue

HOWEVER, THE 2023 LEASING MARKET IS BEGINNING TO SEE SIGNS OF RENTAL VALUE INCREASES SETTLING.

throughout 2023, particularly from dairy farmers, who are continually ranked as being the most likely purchasers of land across the country (depending on their

location/ability to do so). As illustrated in **Figure 16**, 83% (87% in 2021) of agents forecast that there is likely to be an increase in demand from dairy farmers to purchase agricultural farmland in 2023.

Rental values

As with land sales values, agents also expect to see an increase in land rental values in 2023. The expected national increase is 14% (**Table 12**). Provincially, rental values are expected to increase the most in Munster, where values are expected to rise by 17%. Rental values are anticipated to increase by 15% in Leinster, and by 10% in the Connacht/Ulster region. The anticipated increase in values is reflective of the constrained supply of rental land generally, with higher demand anticipated in 2023, particularly from the dairy sector.

Table 12: Agents' expected percentage change in land rental values in 2023 compared to 2022.

National	14%
Leinster	15%
Munster	17%
Connacht/Ulster	10%

Source: SCSI research.

Leasing

Approximately 39% of agents expect the volume of agricultural farmland available for lease in 2023 to increase, up from 29% the year prior. Around half of respondents (49%) anticipate that land available for lease will remain similar to 2022 (**Figure 17**), while 12% expect to see the volume of land available for lease to decrease, down from the 38% that was noted the year before. This estimation aligns with the projected increase in rental values over the course of the year (**Table 12**). As seen with land sales, demand for land in the rental market can be particularly strong among dairy farmers (**Figure 18**). This farmer type is expected to have highest demand for leasing land.

Future drivers of the agricultural land transaction market

The outlook for the agricultural land market remains strong into 2023. Land values are expected to increase again, mainly due to a strong dairy sector. With just 0.5% of all farmland available for sale each year on average, agents expect continued strong demand from an array of buyer profiles, such as farming and non-farming individuals and companies. The cost of farming inputs will play a contributory role in the prices paid for land. In the short term, inputs costs are still at elevated levels. Fertiliser, feed and fuel are the main input costs associated with farming. Weather and growing conditions for 2023 will play an important role in overall farming profitability and could also impact to some degree on the prices paid for land over the course of the year.

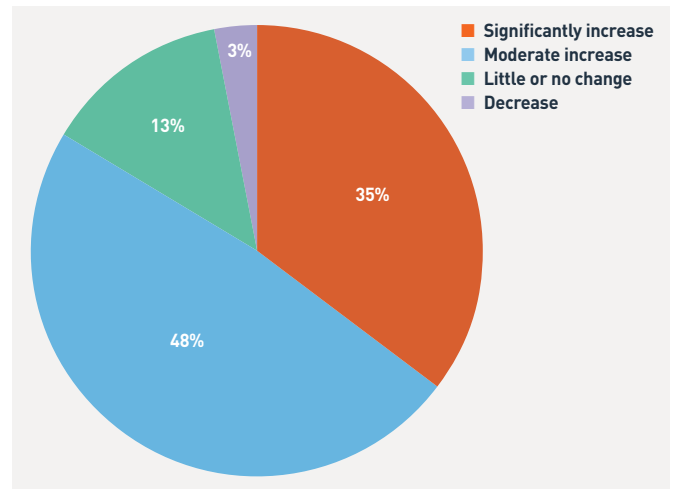


FIGURE 16: Agents' expectations regarding changes in purchasing demand from dairy farmers for agricultural farmland in 2023.

Source: SCSI research.

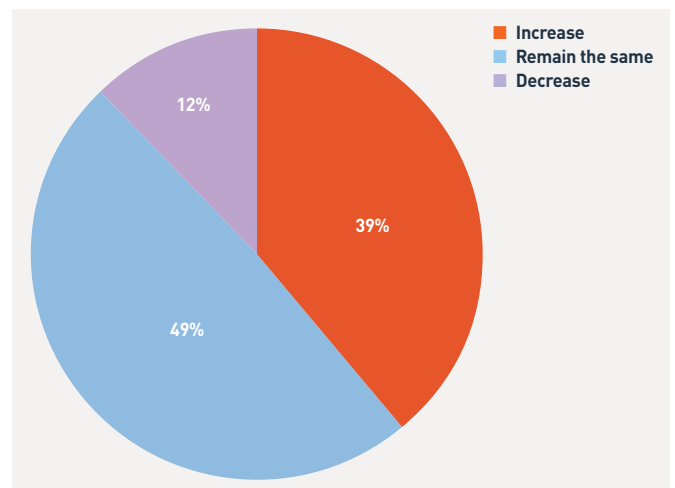


FIGURE 17: Agents' expectations to changes in the volume of agricultural farmland for lease in 2023.

Source: SCSI research.

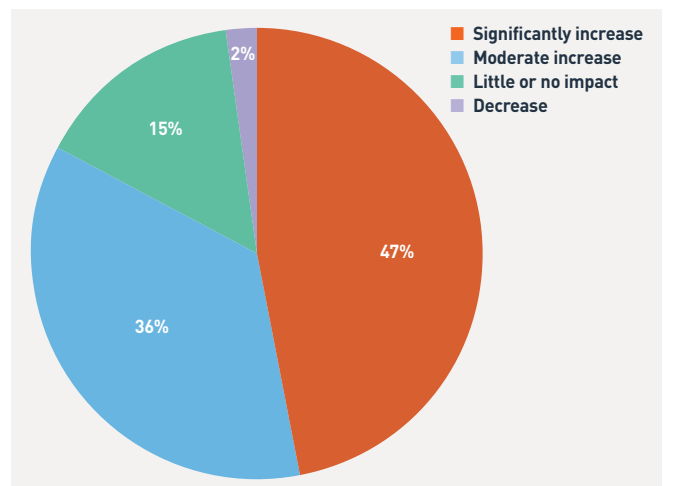


FIGURE 18: Agents' expectations regarding changes in purchasing demand from dairy farmers for agricultural farmland in 2023.

Source: SCSI research.

TABLE A1: LEINSTER

Table A1: 2022 Land values per acre in Leinster
Leinster – average price per acre (non-residential)

	Less than 50 acres		Between 50 and 100 acres		Over 100 acres	
	Poor quality	Good quality	Poor quality	Good quality	Poor quality	Good quality
Louth	€9,417	€13,917	€8,667	€13,417	€8,250	€13,500
Meath	€8,750	€15,200	€8,550	€13,750	€8,500	€13,850
Wicklow	€7,375	€13,875	€6,875	€13,500	€6,563	€12,875
Wexford	€9,143	€14,857	€8,714	€14,071	€8,179	€13,571
Kildare	€9,083	€15,333	€8,833	€15,167	€9,250	€14,667
Carlow	€8,250	€14,250	€7,000	€14,250	€6,875	€12,875
Kilkenny	€8,400	€14,200	€7,500	€13,200	€7,350	€12,700
Laois	€7,357	€13,357	€6,929	€13,214	€6,214	€12,714
Offaly	€6,800	€11,500	€5,600	€11,600	€5,700	€11,000
Westmeath	€6,960	€13,300	€7,000	€12,800	€6,150	€13,700
Longford	€6,000	€12,167	€6,167	€11,500	€5,333	€11,667

Source: SCSI Land Market Survey.

TABLE A2: MUNSTER

Table A2: 2022 Land values per acre in Munster
Munster – average price per acre (non-residential)

	Less than 50 acres		Between 50 and 100 acres		Over 100 acres	
	Poor quality	Good quality	Poor quality	Good quality	Poor quality	Good quality
Waterford	€7,000	€15,000	€6,800	€17,400	€4,800	€10,800
Cork	€7,750	€14,250	€6,000	€15,000	€7,188	€12,150
Kerry	€6,800	€13,200	€5,800	€13,000	€5,100	€11,400
Tipperary	€6,225	€14,938	€5,550	€14,813	€5,600	€13,375
Limerick	€4,800	€12,500	€4,800	€12,200	€4,700	€11,000
Clare	€4,125	€8,813	€3,825	€8,150	€2,667	€7,750

Source: SCSI Land Market Survey.

TABLE A3: CONNACHT AND ULSTER

Table A3: 2022 Land values per acre in Connacht and Ulster.
Connacht/Ulster - average price per acre (non-residential).

	Less than 50 acres		Between 50 and 100 acres		Over 100 acres	
	Poor quality	Good quality	Poor quality	Good quality	Poor quality	Good quality
Galway	€5,375	€9,500	€4,083	€8,583	€3,250	€7,875
Leitrim	€3,300	€6,140	€3,020	€4,580	€2,980	€3,590
Mayo	€3,625	€10,092	€2,933	€6,783	€2,040	€4,000
Roscommon	€4,188	€9,938	€3,688	€8,000	€2,813	€3,563
Sligo	€4,250	€9,550	€4,058	€7,850	€4,167	€8,100
Donegal	€3,786	€12,143	€3,693	€8,000	€3,786	€8,400

Source: SCSI Land Market Survey.

TABLE A4: LAND RENTAL VALUES PER ACRE – LEINSTER

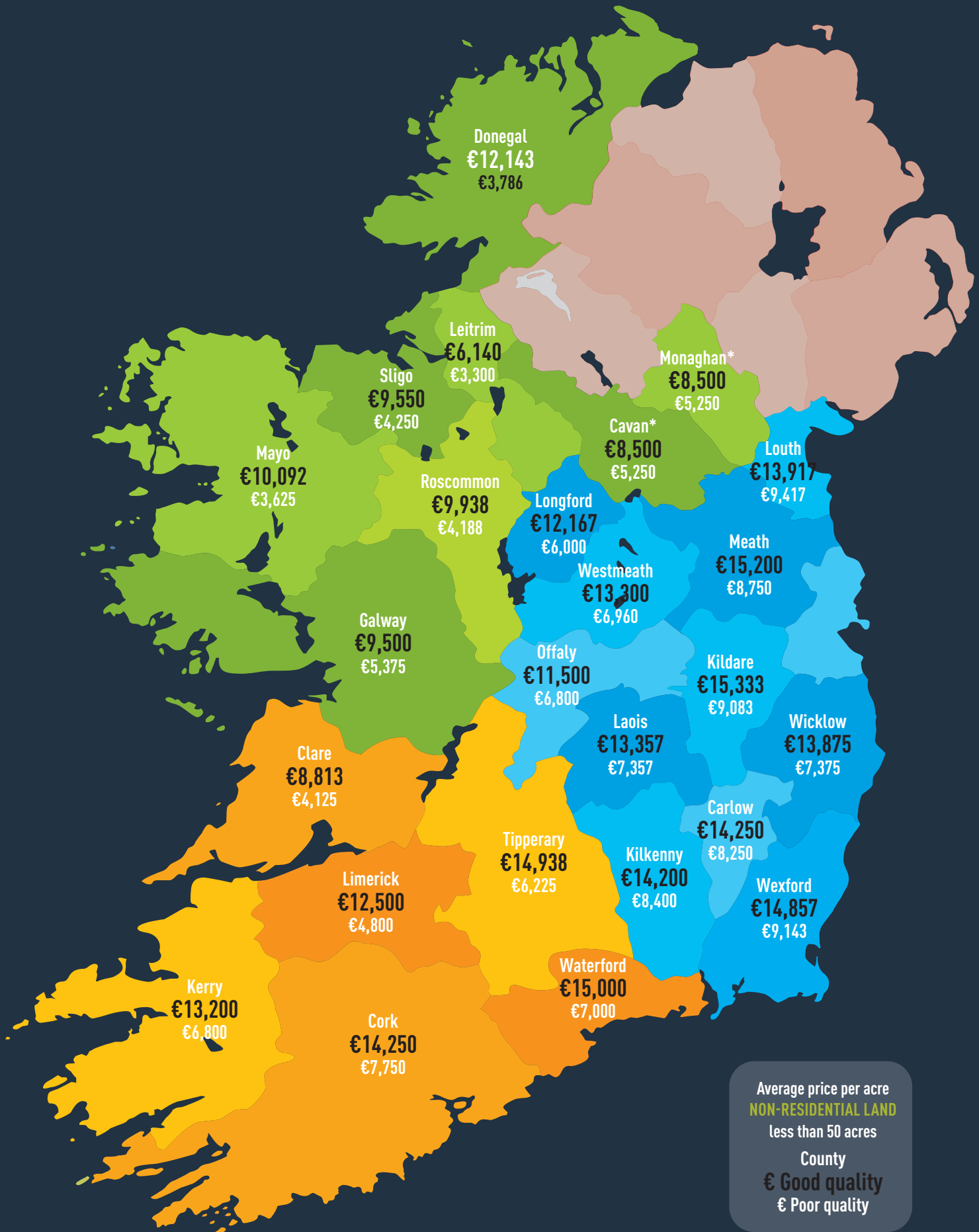
Year	Grazing/ meadowing/silage	Grazing only	Cereal crops	Beet, maize, beans	Potatoes
2010	€130	€121	€153	€159	no data
2011	€142	€132	€155	€184	no data
2012	€143	€134	€160	€184	no data
2013	€156	€143	€175	€198	no data
2014	€160	€148	€187	€204	no data
2015	€162	€150	€189	€216	€317
2016	€177	€160	€195	€235	€336
2017	€194	€182	€220	€299	€426
2018	€197	€190	€216	€246	€348
2019	€183	€170	€210	€256	€378
2020	€193	€175	€220	€266	€359
2021	€245	€215	€259	€323	€463
2022	€266	€248	€290	€370	€439
12 months % change	9%	15%	12%	15%	-5%

TABLE A5: LAND RENTAL VALUES PER ACRE – MUNSTER

Year	Grazing/ meadowing/silage	Grazing only	Cereal crops	Beet, maize, beans	Potatoes
2010	€138	€124	€153	€159	no data
2011	€155	€142	€171	€176	no data
2012	€159	€142	€178	€180	no data
2013	€169	€161	€192	€195	no data
2014	€194	€180	€217	€230	no data
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
2020	€215	€209	€242	€299	€330
2021	€231	€221	€244	€256	€326
2022	€261	€241	€283	€300	€383
12 months % change	12%	8%	14%	15%	15%

TABLE A5: LAND RENTAL VALUES PER ACRE – CONNACHT/ULSTER

Year	Grazing/ meadowing/silage	Grazing only	Cereal crops	Beet, maize, beans	Potatoes
2010	€121	€109	€137	€139	no data
2011	€117	€114	€137	€125	no data
2012	€128	€119	€133	€132	no data
2013	€138	€128	€130	€127	no data
2014	€135	€122	€129	€130	no data
2015	€146	€131	€131	€138	€190
2016	€144	€130	€110	€173	€197
2017	€124	€122	€170	€180	no data
2018	€160	€141	€179	€183	€252
2019	€176	€144	€203	€186	€273
2020	€153	€142	€158	€242	€173
2021	€168	€161	no data	no data	no data
2022	€176	€162	no data	no data	no data
12 months % change	5%	1%	n/a	n/a	n/a



Average price per acre
NON-RESIDENTIAL LAND
less than 50 acres
County
€ Good quality
€ Poor quality

*Due to insufficient level of responses for 2022, Monaghan and Cavan data from 2021



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