

The Bank of Ireland Agri Pulse for August 2018 found farmers rather downbeat. Compared with April – when the survey was last carried out – sentiment was softer on a number of fronts, including current production, costs, farm profitability and the outlook for market prices.

Drought conditions and renewed Brexit uncertainty over the summer period dampened the mood. Production expectations were up on April though and investment plans were little changed, which suggests that a number of farmers are also looking through present difficulties and keeping an eye on potential opportunities.



KEY POINTS

- Sentiment softer in August
- Weather conditions at play
- Farm profitability under pressure



“With the summer drought coming on top of the bad weather and the fodder crisis earlier in the year, the farming mood was muted in August.”

Dr Loretta O’Sullivan

Group Chief Economist

Bank of Ireland

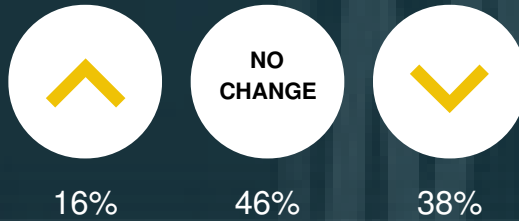


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FARM PROFITABILITY

Past 12 Months

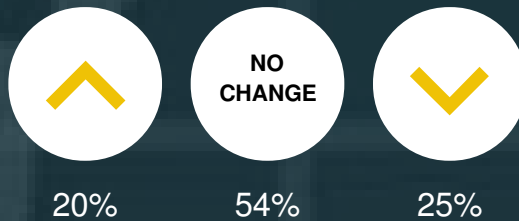


Balance -21%
(-29 on previous reading)



FARM OUTPUT

Past 12 Months



Balance -5%
(-20 on previous reading)



FARM OUTPUT

Next 12 Months



30%



46%



24%

Balance +6%
(+10 on previous reading)

INPUT COSTS (EXCLUDING LABOUR)

Past 12 Months



71%



26%

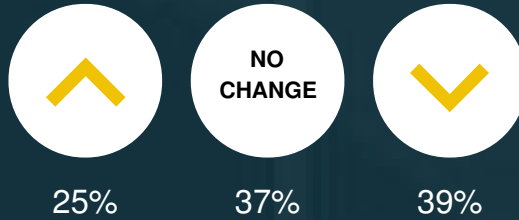


3%

Balance +68%
(+8 on previous reading)

MARKET PRICES

Next 12 Months



25%

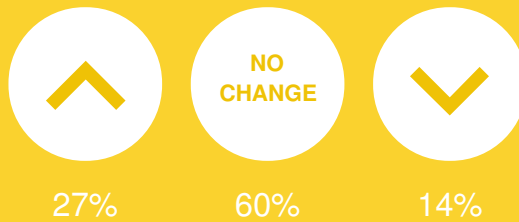
37%

39%

Balance -14%
(-4 on previous reading)

INVESTMENT PLANS

Next 12 Months



27%

60%

14%

BUSINESS AMBITIONS NEXT 1 TO 3 YEARS

Plan on growing 40%

Prefer to stay same size 42%

Intend to scale down 18%



BREXIT IMPACT NEXT 12 MONTHS

Significant negative 34%

Some negative 41%

None 18%

Some positive 5%

Significant positive 2%

