



# Beef competitiveness: different strategies to improve the farm efficiency in French beef farms.

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*Copenhagen – EAAP 2014*

The economic efficiency of the beef farming systems is in the heart of the concerns regarding the context of international competition.

The huge growth of costs of production leads farmers to develop new strategies to resist and remain competitive.

- Who are the most efficient beef farmers: type of production, size, strategy, basement for the herd management ?

### *Contents*

*1-basements*

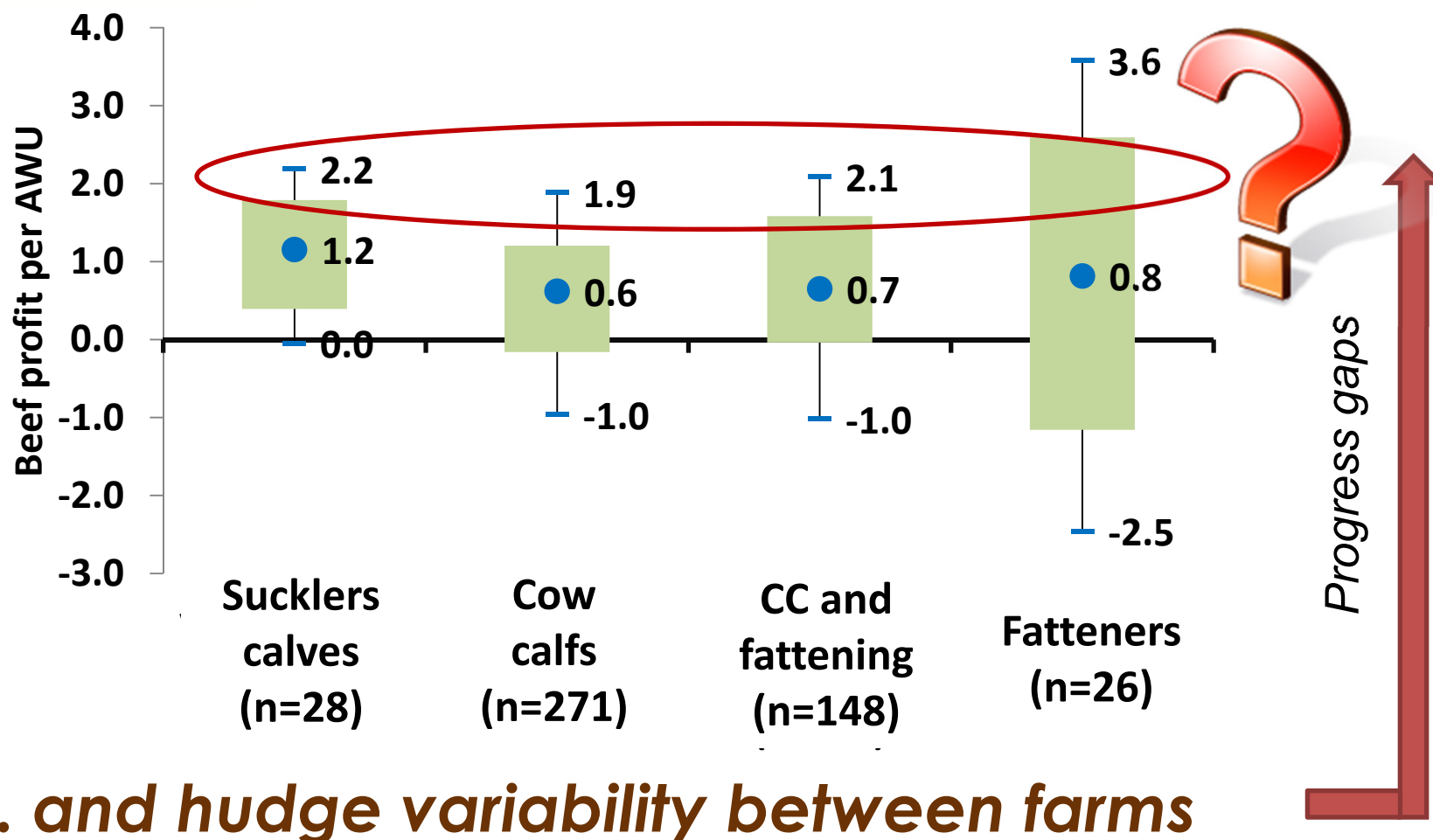
*2- tools and method of the study*

*3-results : farmers classification*

*4-conclusion*

# Weakness of the beef rentability

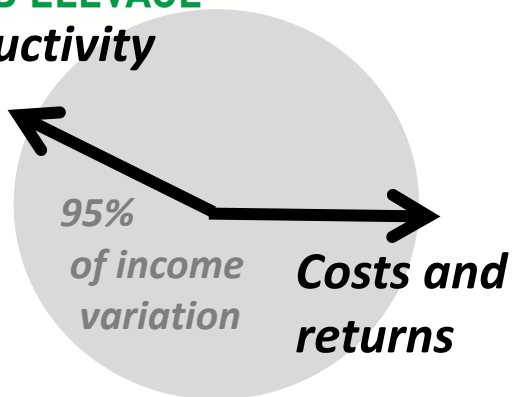
Estimated in minimum wage per labour unit ....



... and hudge variability between farms

# The main trends of the rentability

*From statistic approach aimed to describe relationship between costs and income (1)*



**Productivity**

**Animal  
management**

**Labour  
efficiency**

*Two  
axes*



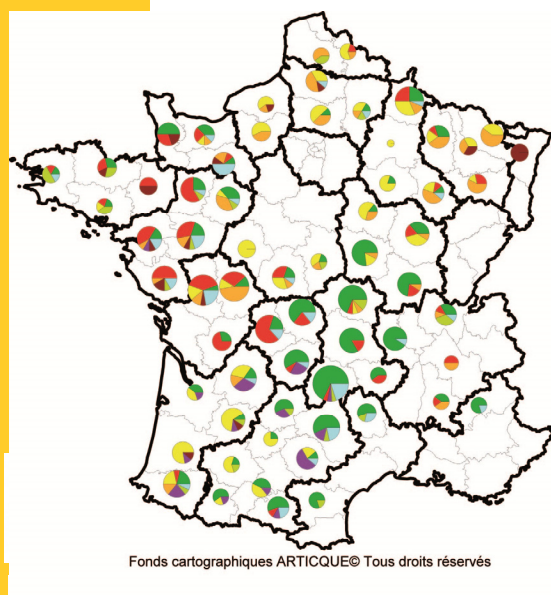
**Economic  
efficiency**

**Costs  
Management**

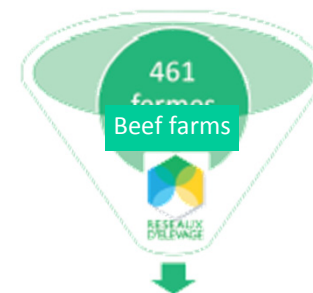
**Returns  
optimisation**

**In 2013, from a data base of 461 farms, chose 20 “top farms” economically speaking. To describe farm management and strategies**

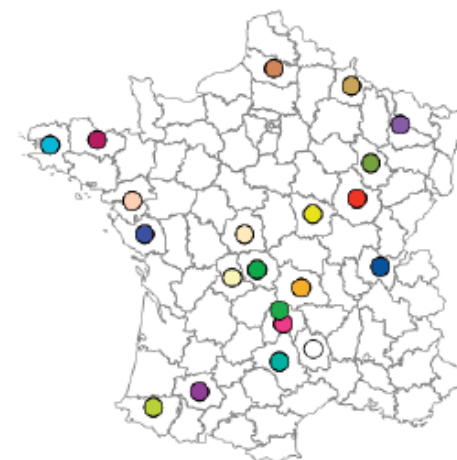
**French livestock networks farms**



- Specialized CC
- Specialized CCBF
- CC + grain producers
- CCBF + grain producers
- Suckler calves producers
- Finishers
- Cattle + soiless breeding
- Organic farms



**20 high efficiency farms**



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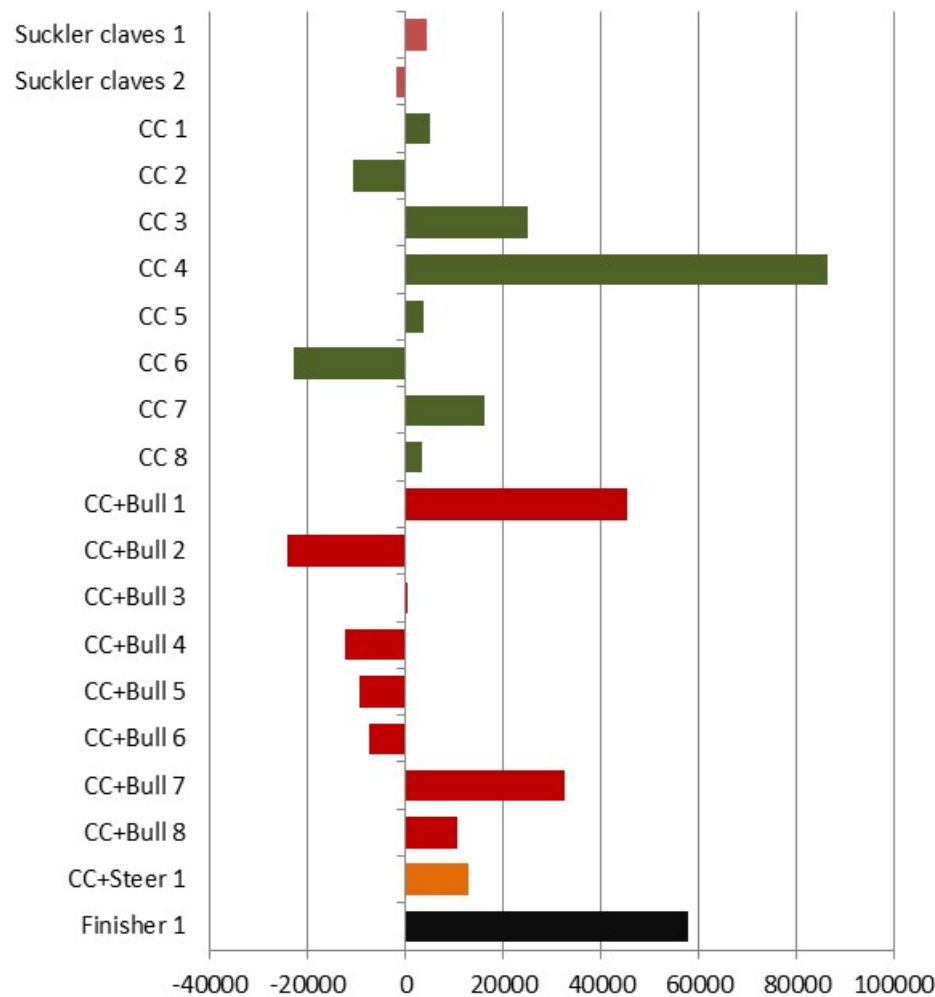
**Economic efficiency**  
**evaluated upon 4 criteria** (average 3 years)

Criteria	Definition	Average on 2009-2011 (20 top farms)	Gap to the population (461 farms)
Efficiency of returns	% income/total returns	54%	+6%
Farm rentability	Gross farm income per labour unit	79 650 €/AWU	+ 22 K€
Beef rentability	Beef Profit per Specialized AWU	2,2 mini wage/farmer AWU	+1,4 MW/AWU
Capital efficiency	Capital/gross farm income	4,6 years	-1,2 years

# Dispersion for the Labour productivity Total liveweight par AWU

gap averaging to the Beef prod/AWU

Nb with gap averaging	
>0	13
<0	7

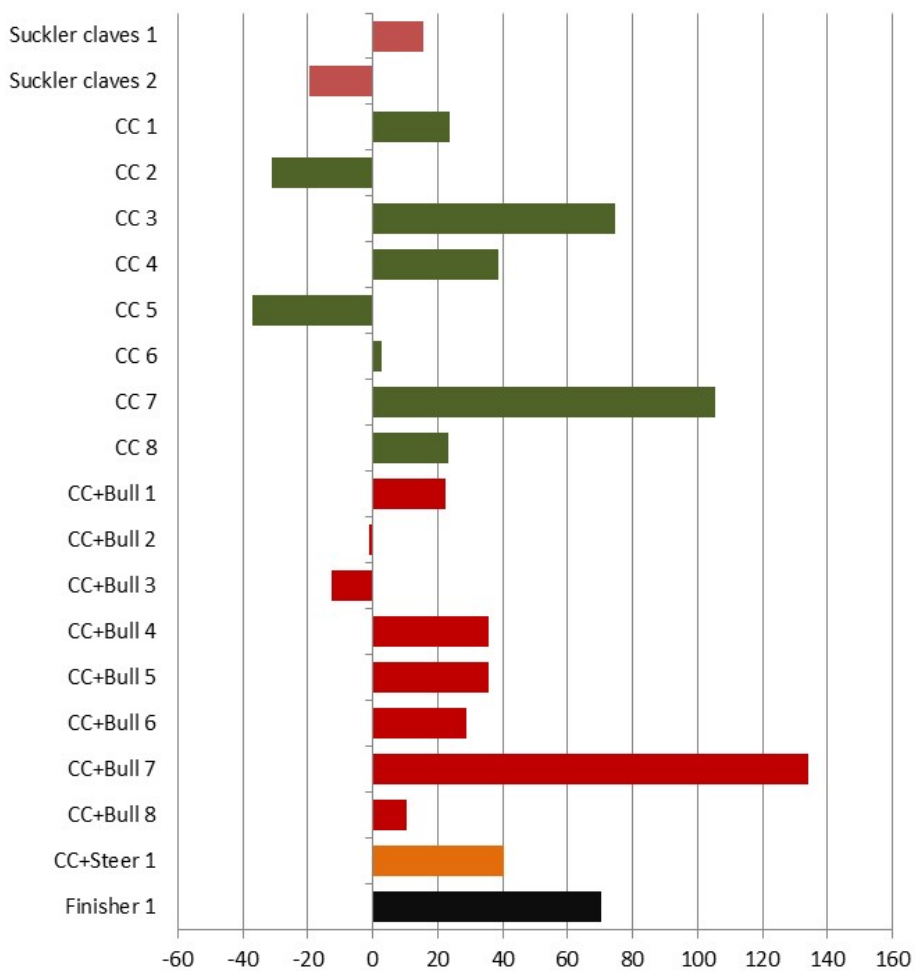


*Gap between top farm and population in the same system*

# Dispersion for the animal productivity (Kg LW/LU)

gap average to the animal prod/LU

Nb with gap averaging	
>0	16
<0	4

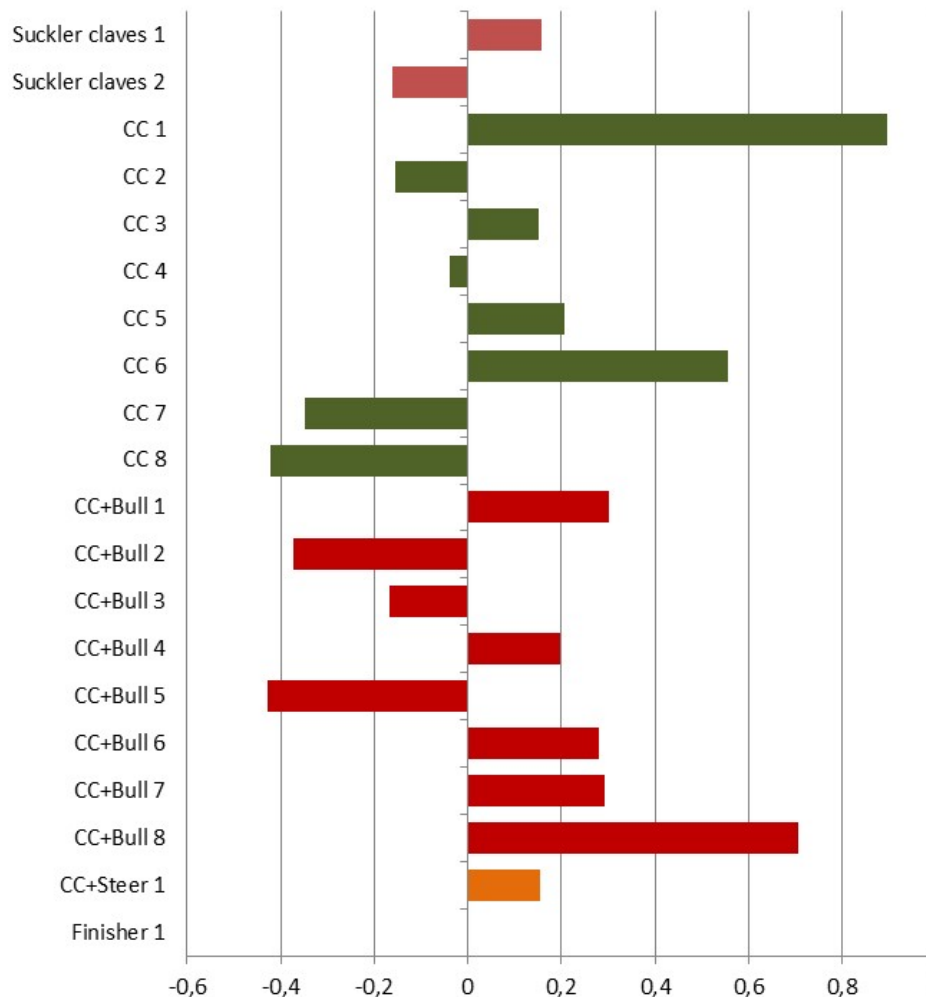


*Gap between top farm and population in the same system*



# Dispersion for the land productivity (stocking rate)

gap averaging to the stocking rate  
(LU/ha)



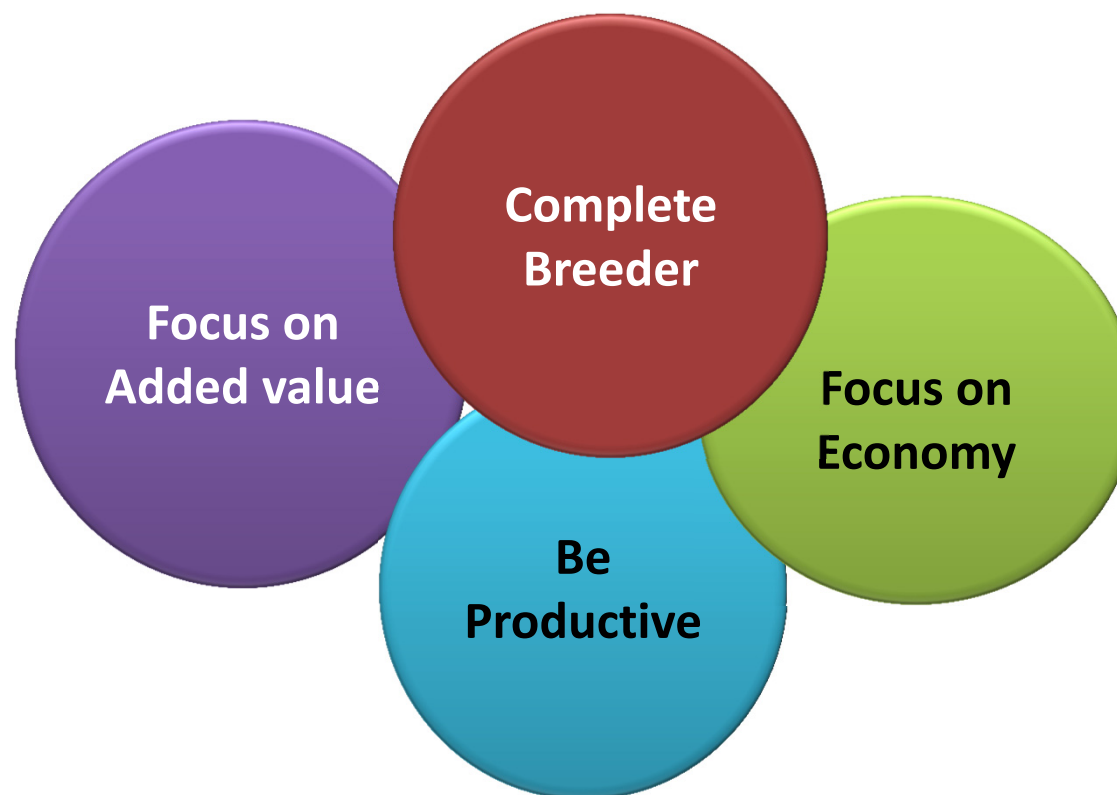
Nb with gap averaging	
>0	11
<0	9

*Gap between top farm and population in the same system*

## Points in common

- **« Complete » breeders**  
*« nothing leave in rest »*
- **Good level of animal productiveness**
- **Raisonnable investissements, focused on productive equipment**
- **Good inputs efficiency**
- **Motivation in farming**  
*« eveything is done to optimize »*

**Behind figures: strategies**  
➤ **Classification in 4 types**  
**For beef farmers with a high level of efficiency**



## 4 farmer types with a high level of efficiency

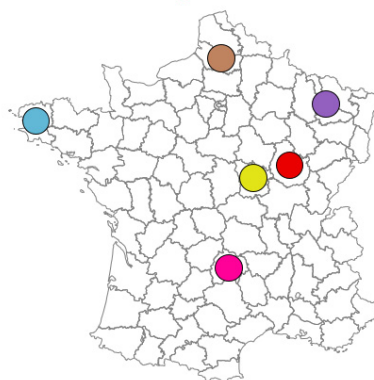


**High level of labor productivity**  
in live weight per AWU

- Labor organisation
- Input using and intensification
- Scale economies before added value



Capital financemement  
and transmission  
Labor organisation



### 6 farms

Criteria	
Efficiency of returns	50-51 %
Farm rentability	78-112 K€
Beef rentability	1,8-3,7 MW/AWU
Capital efficiency	4,8-5,8 years

## 4 farmer types with a high level of efficiency



6 farms

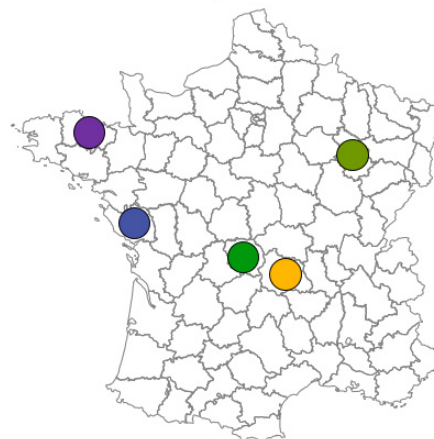
### Thrifty

« nothing loose, everything is useful»

- Looking for efficiency
- Low level of inputs but possibly intensive
- Technicals astuteness (innovation)
- High level of pasture management



Economy ↔ self sufficiency



Criteria	
Efficiency of returns	54-68 %
Farm rentability	43-80 K€
Beef rentability	1,6-2,4 MW/AWU
Capital efficiency	2,7-5,3 years

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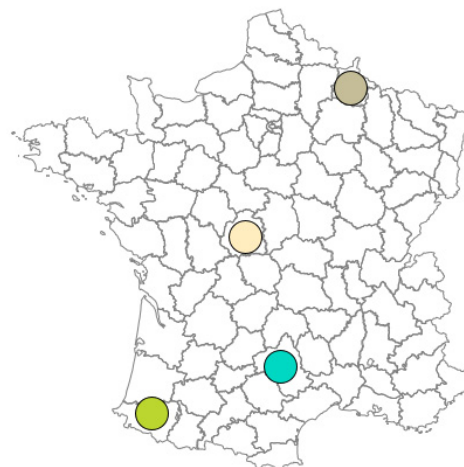
## 4 farmer types with a high level of efficiency



### Efforts on products and prices

- A good level of animal efficiency
- Overlooking for added value (prices)
- Engagement in specific markets (label rouge...)

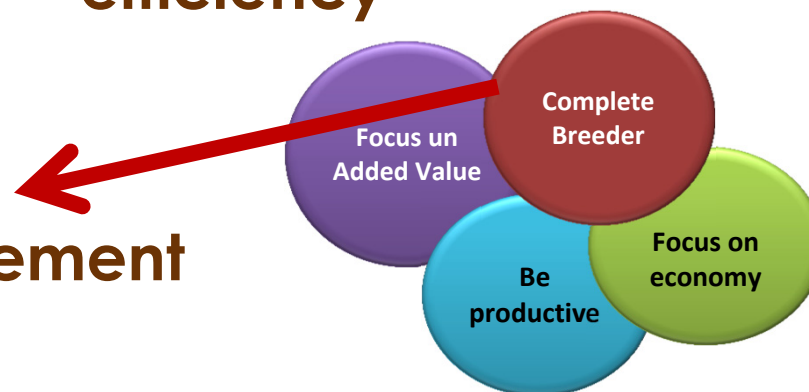
? Outlet maintenance (contracts)



### 4 farms

Criteria	
Efficiency of returns	56-59 %
Farm rentability	74-76 K€
Beef rentability	1,9-2,4 MW/AWU
Capital efficiency	3,1-4,4 years

## 4 farmer types with a high level of efficiency



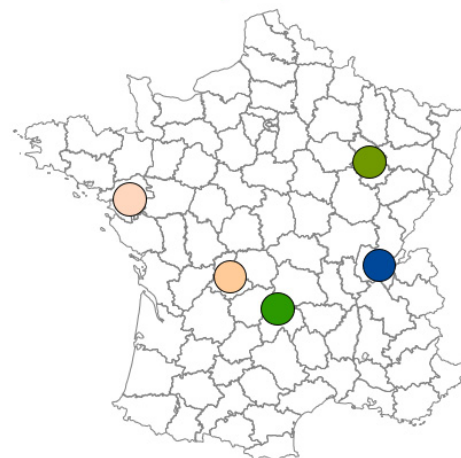
### Performant in livestock management

#### animal productivity

- *The priority for the flock*
- *+ inputs for + performances*
- *Breeding as a passion*



Know-how  
Transmission



#### 4 farms

Criteria	
Efficiency of returns	50-73 %
Farm rentability	59-74 K€
Beef rentability	1,7-2,7 MW/AWU
Capital efficiency	3-5,8 years

- Those farms are spread over the country and point up the diversity of the beef activity
- They witness the variety and the difference of strategies implemented by the farmers.
- Some could have increased the size of the operation in order to reach some scale economy,
  - But other could in the contrary find their high level of rentability in a drastic management of the input uses
- another orientation is based on the good valorization of the products.
- In all, the herd management need to be completed and efficient.





***Thanks for your attention***