

2015 Beef and Sheep Report



understanding agriculture worldwide

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Global Supporting Partner



Institutional Partners



Dear readers of the Beef and Sheep Report 2015,

you are holding the Beef and Sheep Report 2015 in your hands – the 13th edition since we started the network. The report provides you with an update of global world maps and charts, a continuation of the country page information from our member countries, world maps of production systems and profitability changes as well as farm level analysis. All the detailed background data and information are available from our website for our partners.

Network developments

We could record further growth of the network and the number of farms analysed. We now have 25 countries and 61 farms in the cow-calf analysis, 30 countries and 76 farms in beef finishing and 15 countries and 34 farms in the sheep network.

We would like to welcome Switzerland as a new country in the beef network, represented by Andreas Hochuli and Mario Huber from the University of Bern as well as Victor Anspach. This year, the colleagues provided the information for the country page, farm data will follow in 2016.

A unique Conference in Colombia

Our Conference 2015 took place in Valledupar, Colombia, and was hosted by our Colombian partners FEDEGAN and CIPAV. We owe special thanks to Augusto Beltrán, Carlos Osorio and Manuel Gómez from FEDEGAN as well as Luis Solarte, Julián Chará, and Juan José Molina from CIPAV but would also like to thank all the crew members who contributed to make the conference a successful event. The presentations and field trips showed that intensive silvopastoral systems can provide a solution for more sustainable beef production. Our Global Forum saw more than 100 decision makers of the Colombian beef supply chain. FEDEGAN's president José Félix Lafaurie revealed his institution's plans for the development of the Colombian cattle sector. Hsin Huang from the International Meat Secretariat and Lesley Mitchell from World Animal Protection explained their understanding and activities in the field of sustainability and animal welfare and highlighted that changes will only happen if all major stakeholders are involved. All presentations and interviews are available from our website (see QR-code).

Sustainability has become a leading topic

For some, sustainability has become an overused expression but we must acknowledge that it is in the focus of many international organisations as well as national governments. In this context, we



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1.3 Testimonials



China, Zhongwu Wang



agri benchmark done very excellent work for the beef and sheep production and market, all of partners can learn some useful information from the network, I thought everyone to attendance the conference would have a wonderful experience and enjoy it, and also like to share the data come from different countries with each other, which will be benefit from each other.



Spain, Carlos García



agri benchmark is the best way to compare standard and reliable data as well as to have access to global information about livestock sector. The *agri benchmark* Beef and Sheep Conference allows you to learn and exchange information in a unique pleasant and friendly environment.



South Africa, Walter van Niekerk



The *agri benchmark* data is very useful for us. With this information we are able to compare results on farm level (locally and internationally) as well as analyse models for farm, cost, policy and strategy. We use the reliable farm data from countries all over the world and data from our local network, when we publish reports for our client.



Argentina, Cristina Ras



I want to express my satisfaction about the training and the conference. It was not only a professionally most interesting experience but a very enjoyable week thanks to all of you.



Brazil, Thiago Carvalho



The Beef and Sheep Conference is a unique, special event. We have a great opportunity to know the numbers of the world's livestock in detail and always exchanging experiences during the days of the workshop with experts from each country. For Brazil is an honour to participate in this select group and can use the knowledge on a daily of our research. In 2015 Brazil completed 10 years as partners in this great project and we will be together for the next 10, because we believe in the methodology and the whole team.



Austria, Johannes Minihuber



The *agri benchmark* network is great opportunity to gain more experience about beef production systems and markets in different countries including their advantages, disadvantages and challenges in the regions. The annual Beef and Sheep conference as a discussion platform allows us to exchange information, what is currently going on in the beef sector worldwide. To have access to current information is important and also interesting for a small cattle-country like Austria.



Ireland, Anne Kinsella



The conference, workshops and field trips provide an ideal environment for exchanging knowledge and experience of beef and sheep production systems in diverse countries. The events and work schedule is most professionally organised while also providing ample opportunity for interacting with new colleagues. Following on from the workshop data discussions and validation, access to the extensive *agri benchmark* database provides a most valuable resource and informing other research projects.



Czech Republic, Iveta Bošková



The conference is an opportunity to get an understanding of farmers in different production environment and pass the information to farmers in our country. It is a unique board to discuss strategies, competitiveness and perspectives of beef and sheep production worldwide.



Colombia, Julián Chará



As a first time attendee I was amazed by the great amount of information and friendship shared during the week. I learnt a lot about beef production and market in all continents thanks to the experience and openness of partners to share their data and views. I also enjoyed sharing the information about local sustainable beef production and culture in Colombia and appreciated the feedback received and the enthusiasm of participants even at temperatures close to the 40 degrees Celsius during the field trips.



United Kingdom, Carol Davis



The Beef and Sheep Conference is a stimulating week learning about the strengths and challenges of countries around the world. The workshops enable open discussion and debate to take place identifying uniqueness and similarities amongst the members. The network is a marvellous way to enhance better understanding and I am glad to be part of it.



France, Christèle Pineau



See for Colombia the importance of preserving our production environment (observe soil organic matter, fauna associated reintroduce levels herbaceous strata) and triple impact on the producers of beef cattle: economic (increase revenue through increased animal productivity), environmental (increasing biodiversity, improving the condition of animals) was a very strong moment. Sustainability has been defined in these two farm tours and at the global forum. The days are intense but the good atmosphere among participants facilitated exchanges this was partly due to the quality of reception of our guests and the organising team. I feel lucky to have experienced such a journey.



Australia, Karl Behrendt



The *agri benchmark* network is unique in its purpose and character. We annually commit to maintaining a national network of typical beef and sheep farms in Australia, knowing full well that we will learn as much from, if not more, from the extensive network of professional global partners. It's not just about the data, although in its own right is irreplaceable, the understanding and contemporary intelligence gleaned from what is occurring around the world is invaluable. Being part of the *agri benchmark* network certainly provides us an edge.

1.4 Partners

Participants of the *agri benchmark* Beef and Sheep Conference 2015



Beef and Sheep Report editors

Claus Deblitz

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agri benchmark – understanding agriculture worldwide

agri benchmark is a global, non-profit network of agricultural economists, advisors, producers and specialists in key sectors of agricultural value chains. We use internationally standardised methods to analyse farms, production systems and their profitability. Our farm-level knowledge is combined with analysis of international commodity markets and value chains. In this way we are able to provide scientifically consistent and soundly based answers on strategic issues to decision-makers in policy, agriculture and agribusiness.



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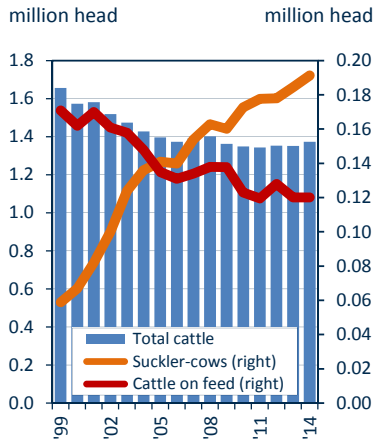
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	Ukraine		Alina Zharko		Association Ukrainian Agribusiness Club (UCAB), Kiev
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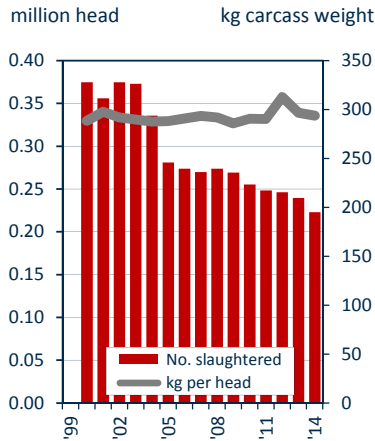


Production and Consumption

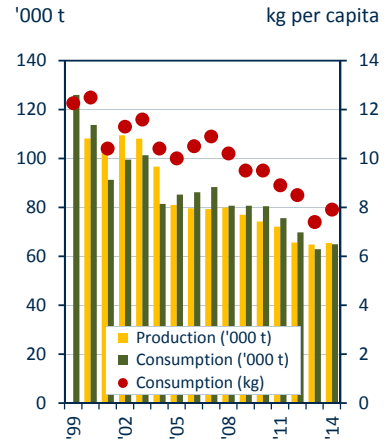
Inventories



Production and weight



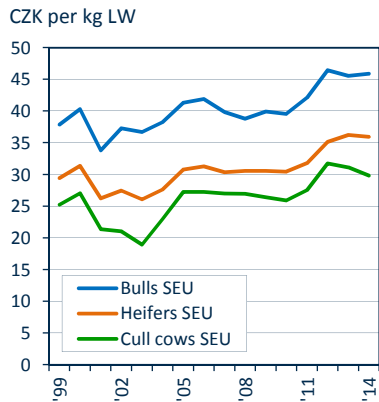
Production and consumption



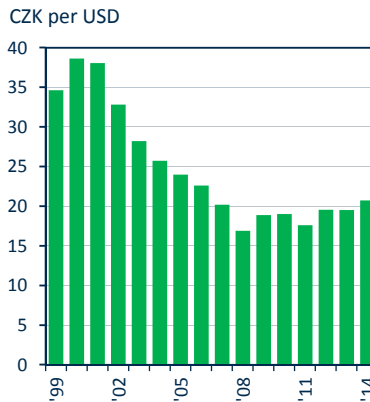
Source: National statistics

Beef and livestock prices

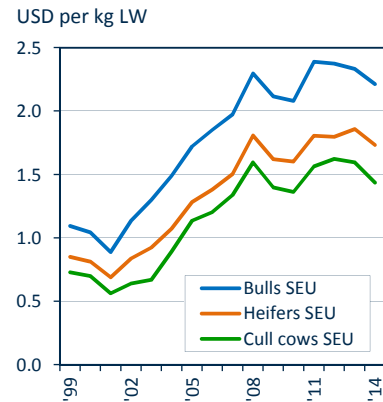
Beef and livestock prices



Exchange rate



Beef and livestock prices



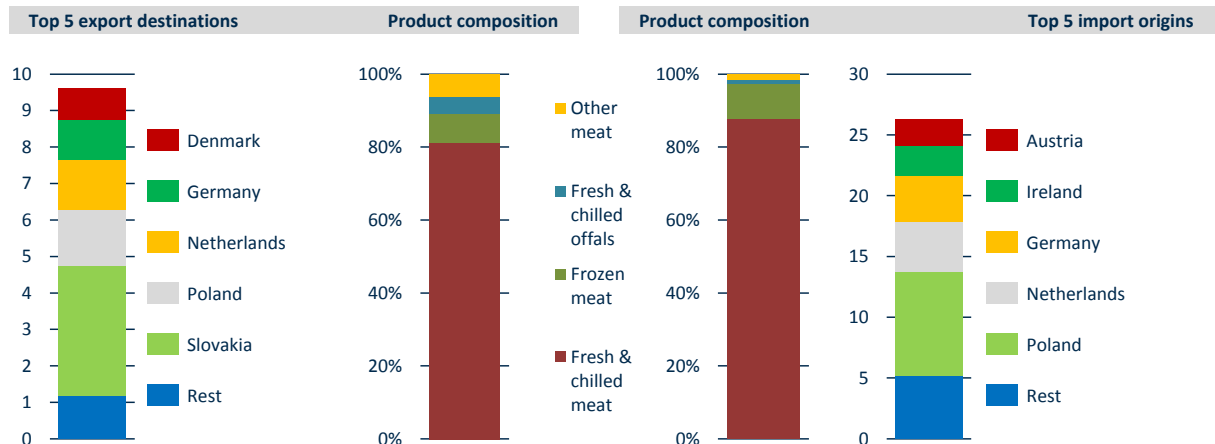
Source: National statistics

Exports 2014 ('000 t)

Total 10

Imports 2014 ('000 t)

Total 26



Source: UN Comtrade

3.3 Policy – burning issues

Canada

- ▶ Lack of labour in beef packing plants through temporary labour regulation
- ▶ Sustainability initiative in the beef sector „Canadian round table for sustainable beef“
- ▶ Lack in price reporting (price transparency) for cash prices after a significant move to forward contracting

Brazil

- ▶ Exchange rate policy defavours export sector
- ▶ „Environmental Rural Register“ identification of preservation areas on farms
- ▶ Investment support for slaughterhouses

Colombia

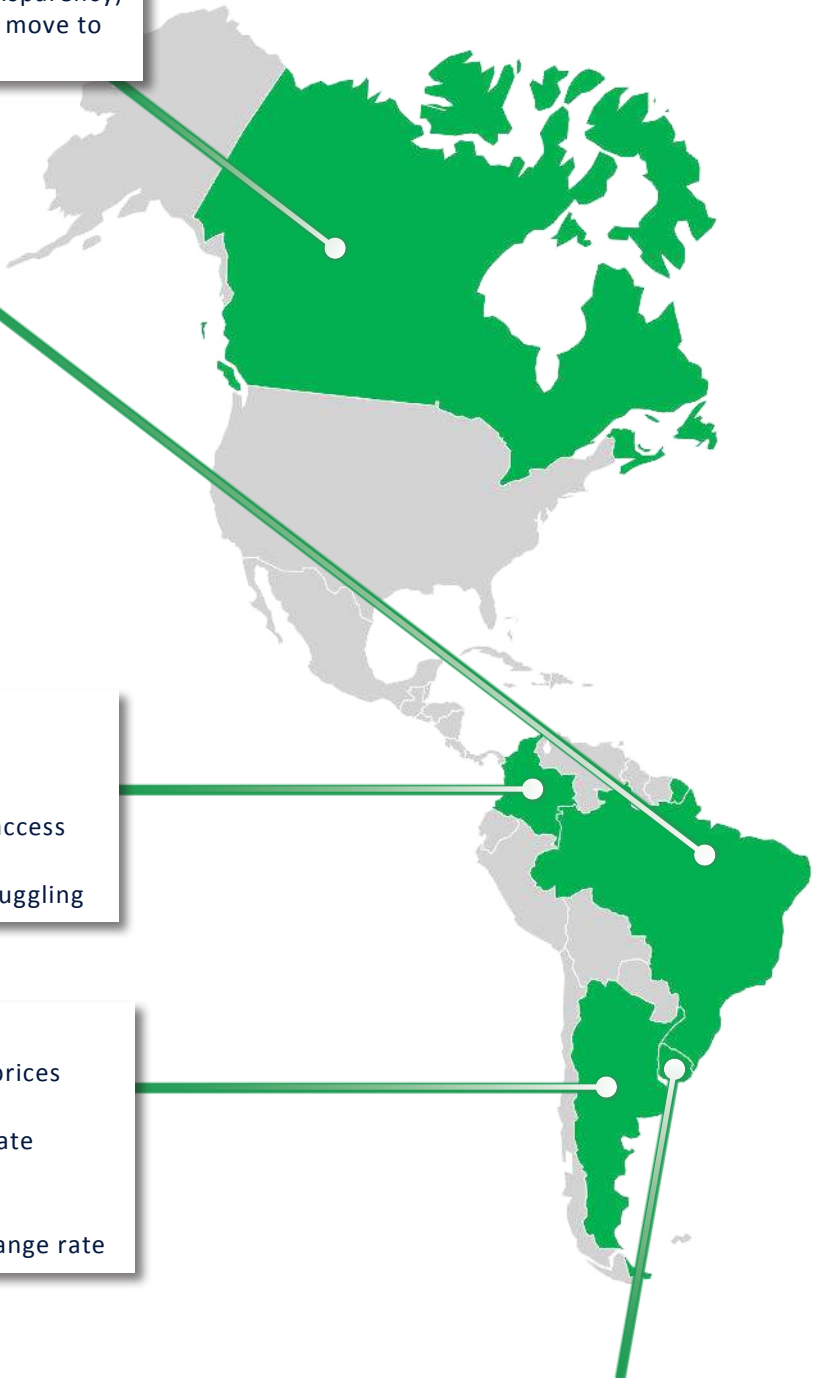
- ▶ Increase in beef consumption through improved social indicators
- ▶ Traceability standards are needed to access foreign markets
- ▶ Lack in effectiveness in combating smuggling

Argentina

- ▶ Trade regulation to control domestic prices (export barriers, tariffs)
- ▶ Inflation and the exchange rate generate domestic recession
- ▶ Inflation impacts on production costs
- ▶ Loss in competitiveness through exchange rate

Uruguay

- ▶ Traceability systems covering the entire national herd created various market opportunities
- ▶ 120 export destinations ensured commercial stability
- ▶ „Plan of Land use and Management“ to avoid deterioration of soils



European Union

- ▶ EU-CAP reform favours grassland farms through second pillar (agri environmental measures)
- ▶ High loss in direct payments for countries decoupling the cow calf premium (AT)
- ▶ Increase in live cattle exports (light animals) to Turkey (FR, AT)
- ▶ New agri environmental measures: important loss in farm income for small farmers (IE) and farmers that are not eligible for the countryside stewardship scheme (UK)
- ▶ Nitrate directive – phosphorus overload in hotspots of beef production (DE), closed spreading periods for farm yard manure and storage capacity for a longer period (EU)
- ▶ Succession on sheep farms: difficulties for new entrants to get access to land (UK)

China

- ▶ Destocking in grassland areas impacts on sustainable use of grassland and on farm income
- ▶ Subsidies for local farmers enhanced cooperative farms in grassland areas

South Africa

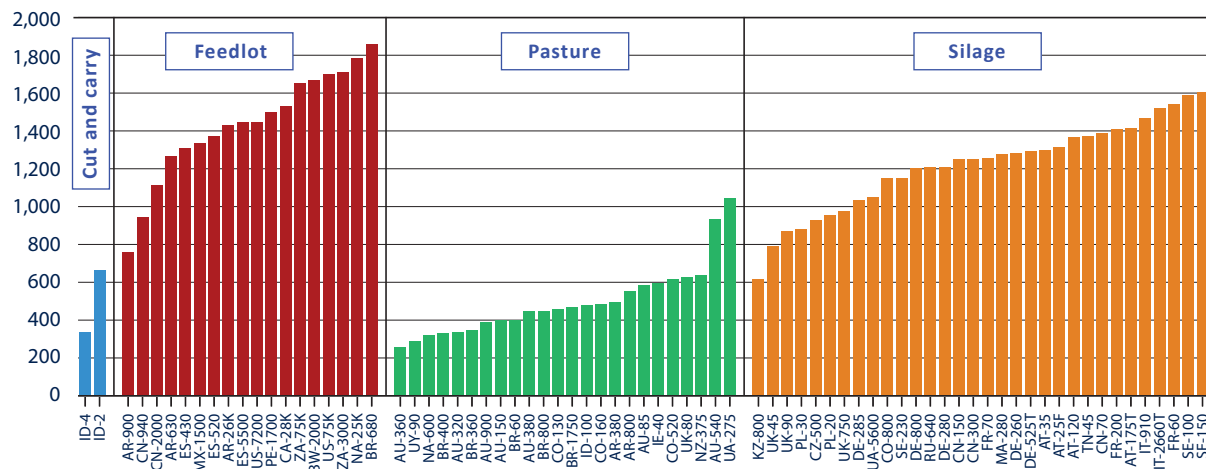
- ▶ Land reform
- ▶ Labour policy regarding minimum wages, wage increases for farm workers
- ▶ US trade under question

Australia

- ▶ Free trade agreements with China, Japan and Indonesia
- ▶ Beef tariffs to decline
- ▶ Relaxation of Indonesia import policy
- ▶ Growth in exports to China
- ▶ Foreign Investment Policy

3.6 Beef finishing performance

Net daily weight gain (kg carcass weight divided by age at slaughter)



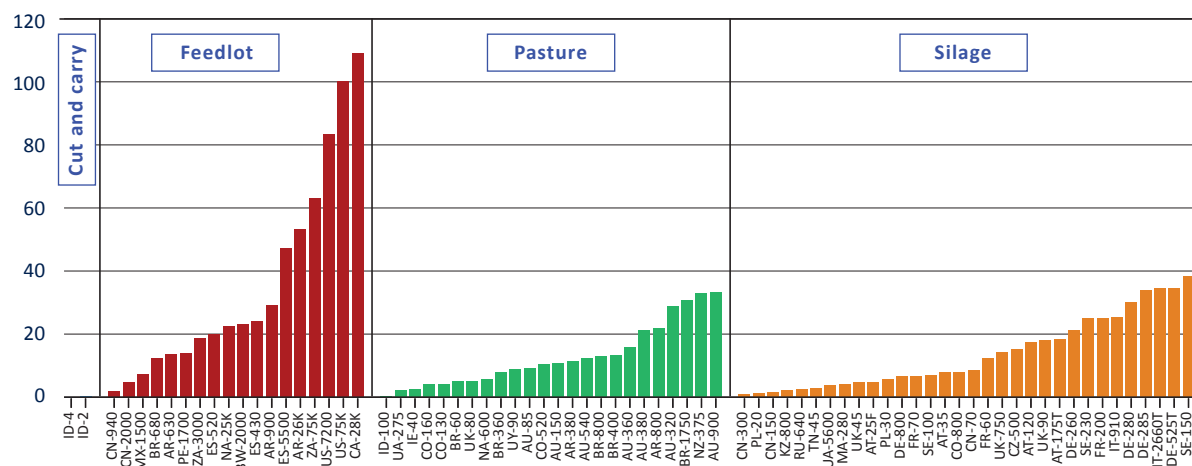
Net daily weight gain

- ▶ Net daily weight gain reflects the whole life of the cattle while the more common average daily weight gain only considers the finishing period.
- ▶ The result is that production systems with short finishing periods and high energy feed such as feedlots show relatively lower net gains than average daily weight gains (see feedlot systems on bottom of page 71).
- ▶ Nevertheless, feedlots remain the leaders in weight gains. However, the most productive silage systems are able to generate high net gain levels over a longer time of finishing.
- ▶ As expected, pasture and cut and carry systems – which are mainly grass-based – are falling behind the feedlot and silage systems.

Labour productivity

- ▶ Labour productivity is calculated as 'kg beef added per hour of labour input'.
- ▶ Similar to the cow-calf enterprises, there is enormous variation in labour productivity.
- ▶ Feedlots are the most productive production system, pasture and silage shows similar patterns and cut and carry fall behind.
- ▶ Size, capital input and automation / harmonisation of feeding and handling are certainly drivers of productivity.
- ▶ Also, high salary levels tend to force producers to become more labour-productive, typically by substituting labour by capital.
- ▶ There are, however, examples for productivity increases with low-capital input like the improvement of pasture management through rotational grazing.

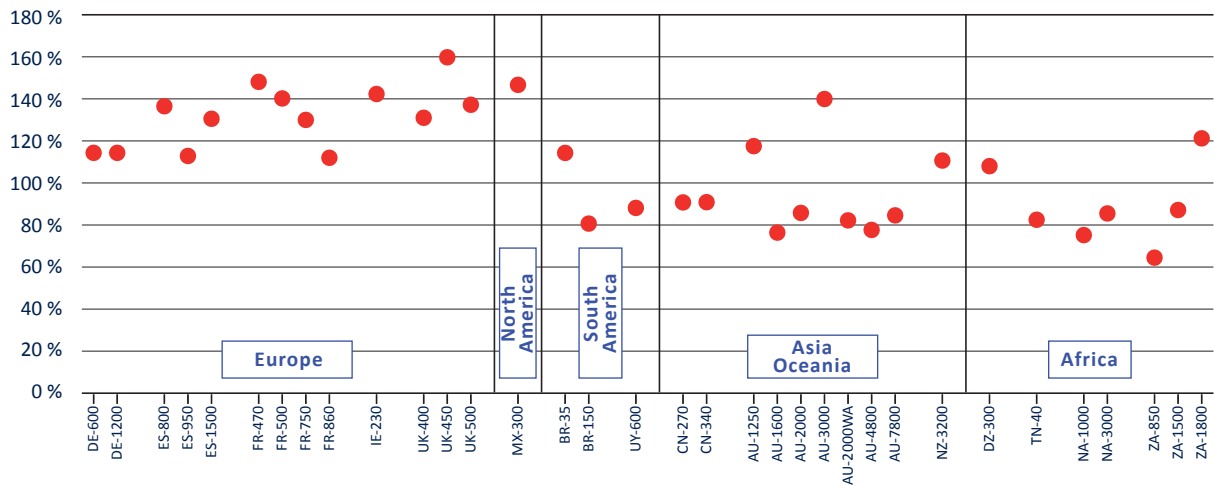
Labour productivity (kg beef gain per hour labour input (hired and family labour))



For definition of terms and modes of calculation please check our 'Glossary' and 'Conceptual background information' for download from our website: <http://www.agribenchmark.org/beef-and-sheep/farm-information.html>

4.5 Performance of sheep farms

Weaned lambs per ewe (percent)



- ▶ The percentage of **weaned lambs per ewe** ranges between 60 percent in the smallest South African farm (very low due to a predator problem) and 160 percent in UK-450, a mixed farm in the lowlands of UK with prolific Lleyn breed mother ewes
- ▶ Lambs weaned are decisive for the final economic performance of the farms and are greatly influenced by the breeds used which again depend on the natural conditions, available feed and the product orientation of the farm (meat or wool)
- ▶ As shown by the chart below, no clear relationship between production system and number of lambs weaned per ewe can be found

Weaned lambs per ewe by production system (percent)

