agri benchmark

2017
Beef and Sheep Report

understanding agriculture worldwide

Table of contents 1.2

1.2 Table of contents

1.3 Partners

Participants of the *agri benchmark* Beef and Sheep Conference 2017

Beef and Sheep Report editors

Claus Deblitz

In references to the Beef and Sheep Report please cite: Deblitz (ed.) (2017): Beef and Sheep Report 2017. TI Braunschweig.

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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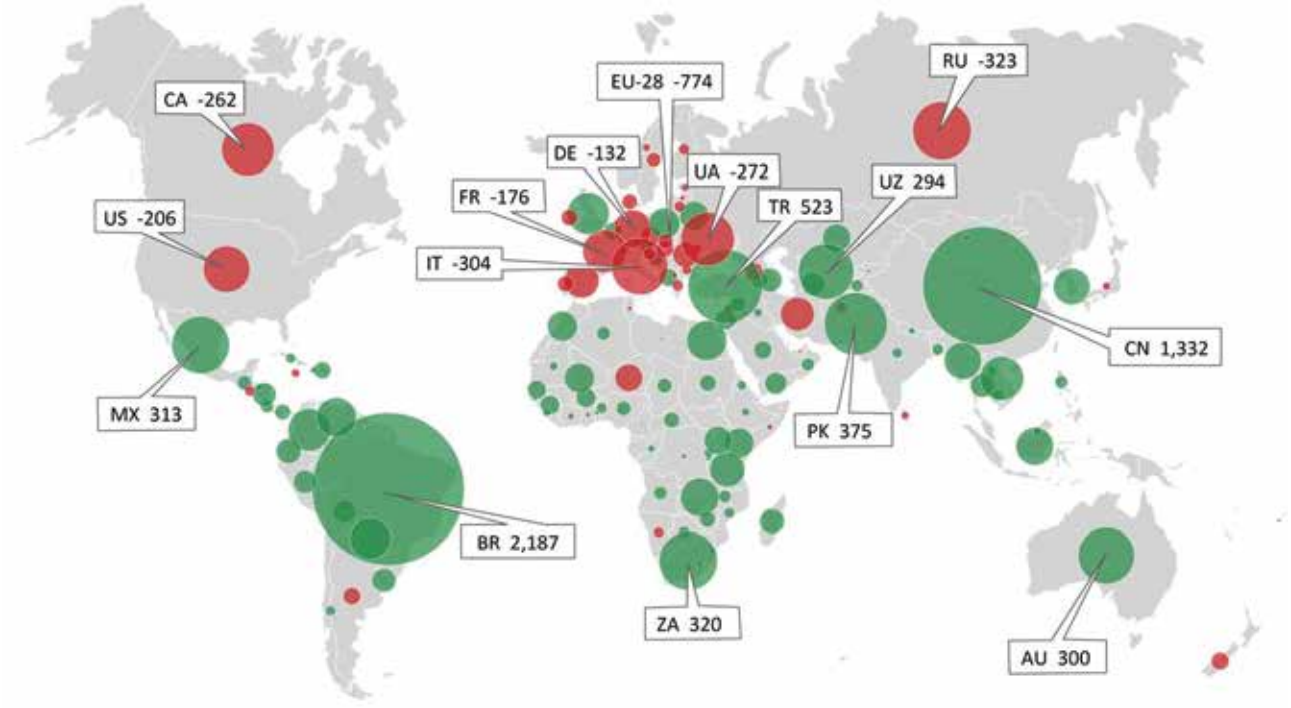
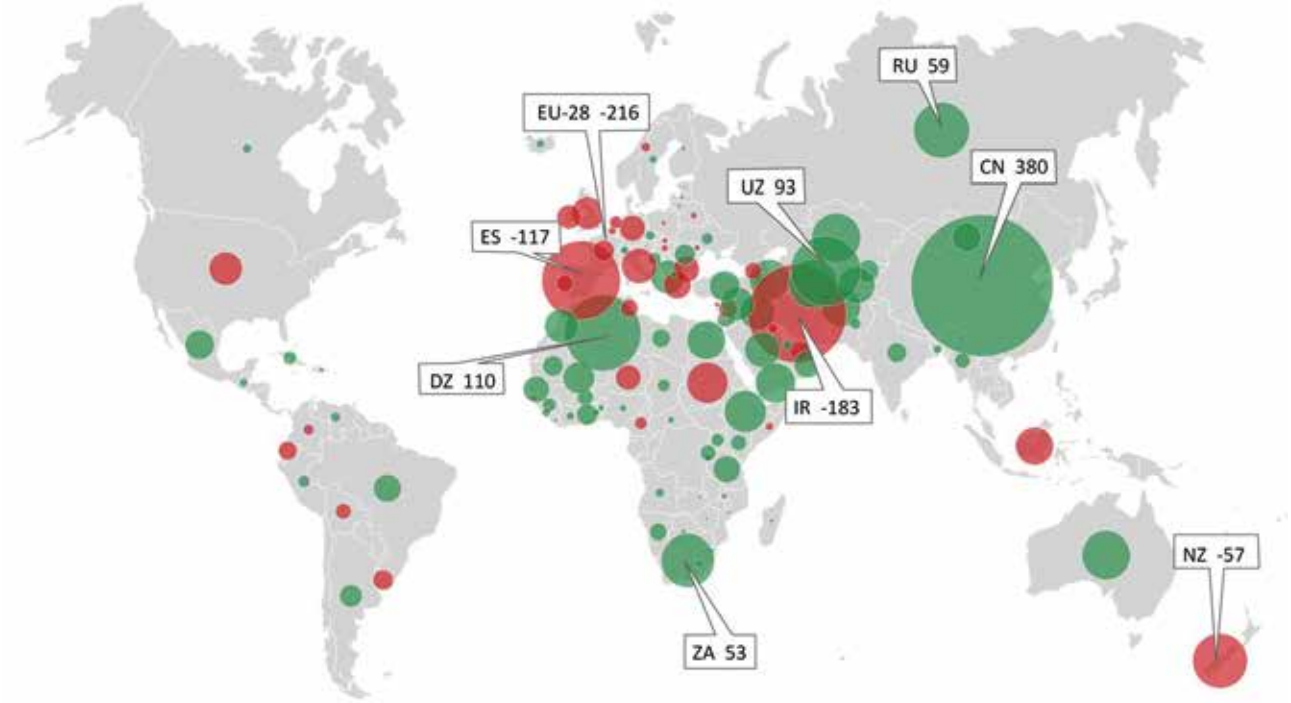
2.1 Change of beef and sheep production

Change in global cattle meat production 2012 - 2014 vs. 2002 - 2004 ('000 t)



Source: FAOStat 10/2017, own calculations, South Sudan is 2011 separate

Change in global sheep meat production 2012 - 2014 vs. 2002 - 2004 ('000 t)



Source: FAOStat 10/2017, own calculations, South Sudan is 2011 separate

3 Country-specific developments

Sources for the data in this chapter:

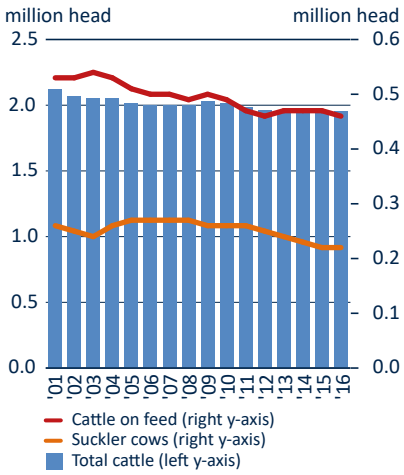
National Statistics provided by *agri benchmark* Partners: Inventories, Beef balance, Trade balance (if available, otherwise UNComtrade), Beef price developments, Live-stock price developments

UNComtrade: Export / Import composition

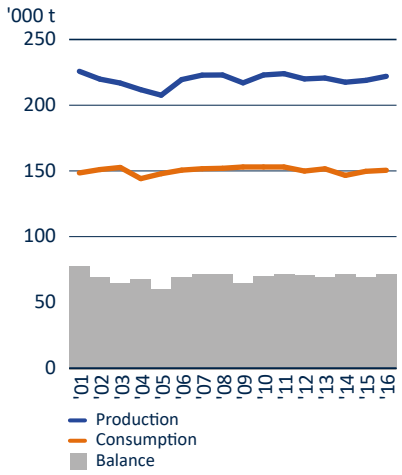
Profits: *agri benchmark* Result Data Base

3.3 Austria

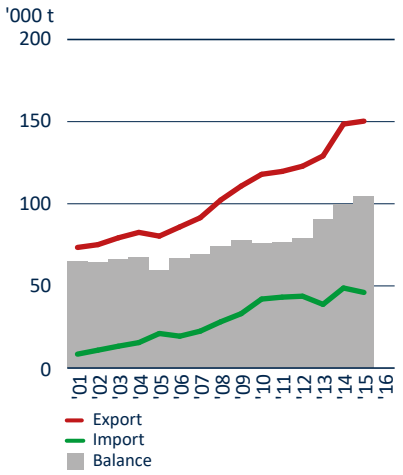
Inventories



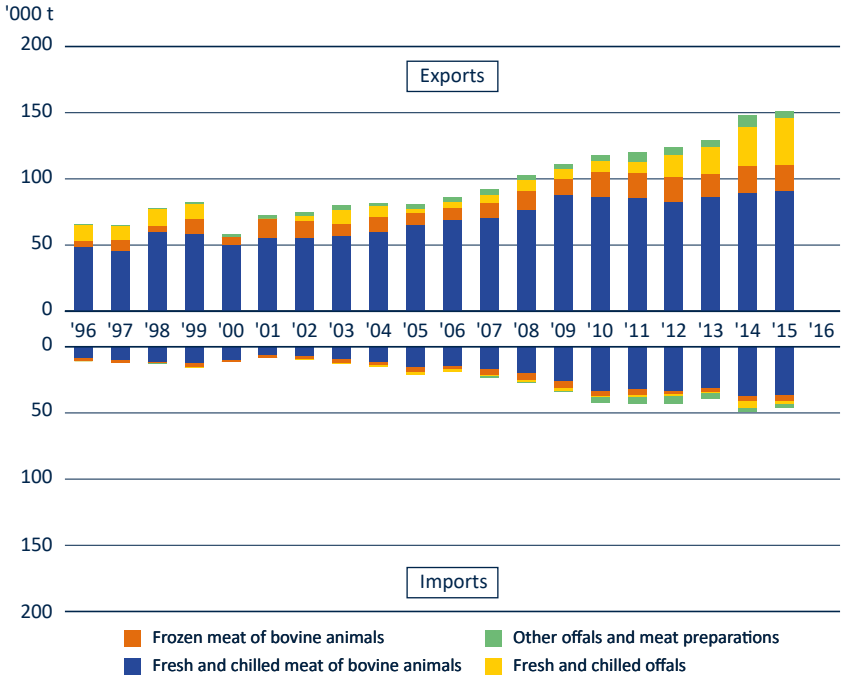
Beef balance



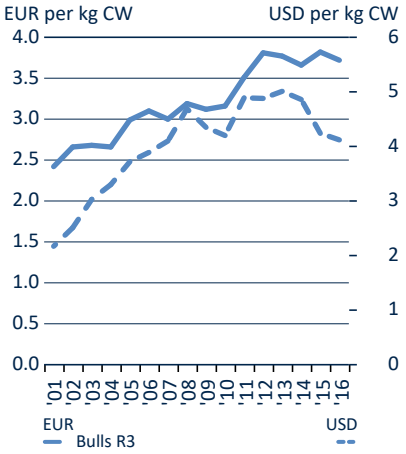
Trade balance



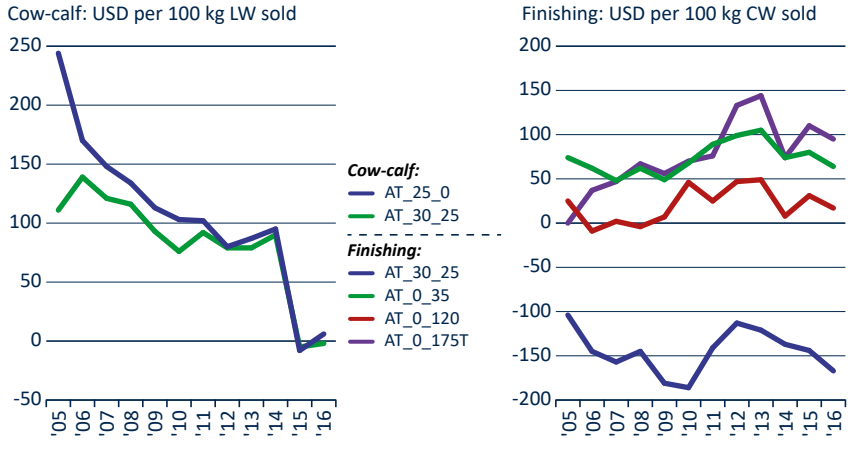
Export / Import composition



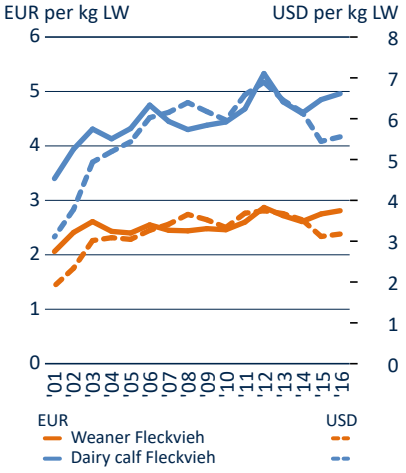
Beef price developments



Profits



Livestock price developments

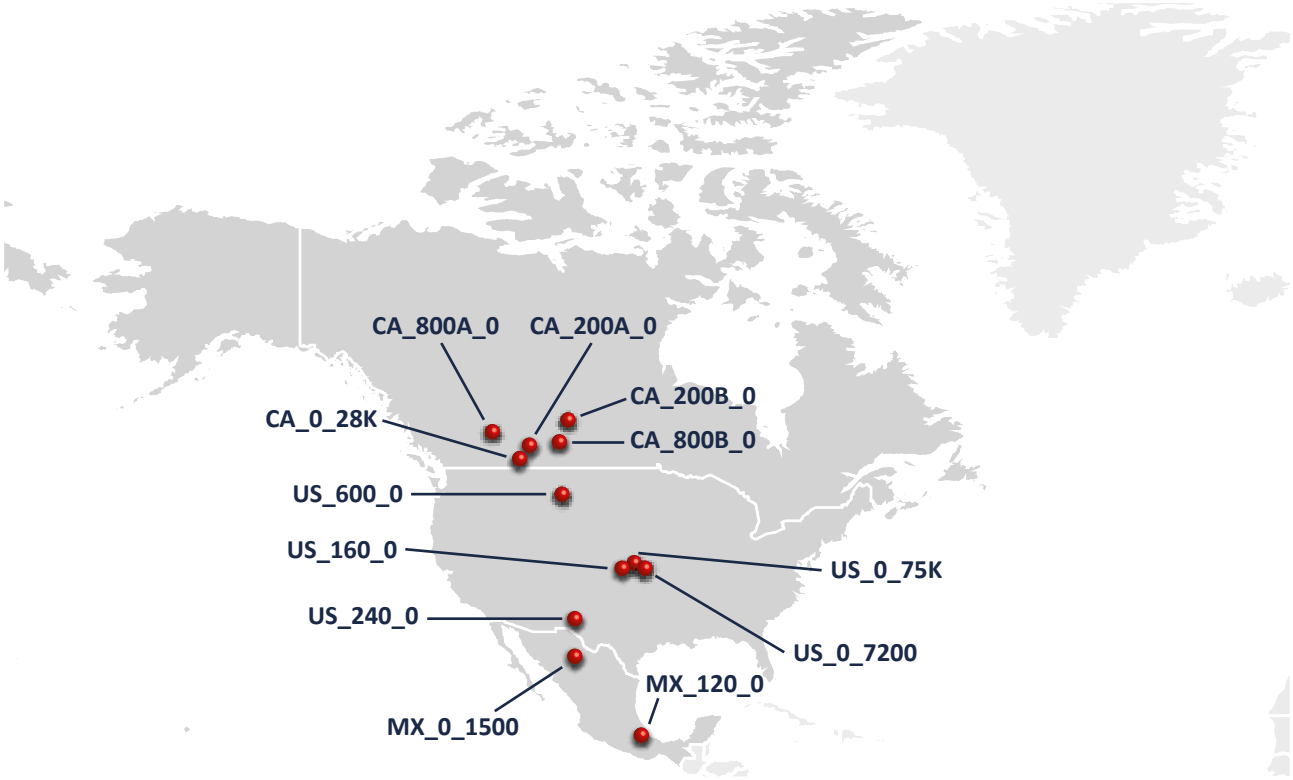


agri benchmark

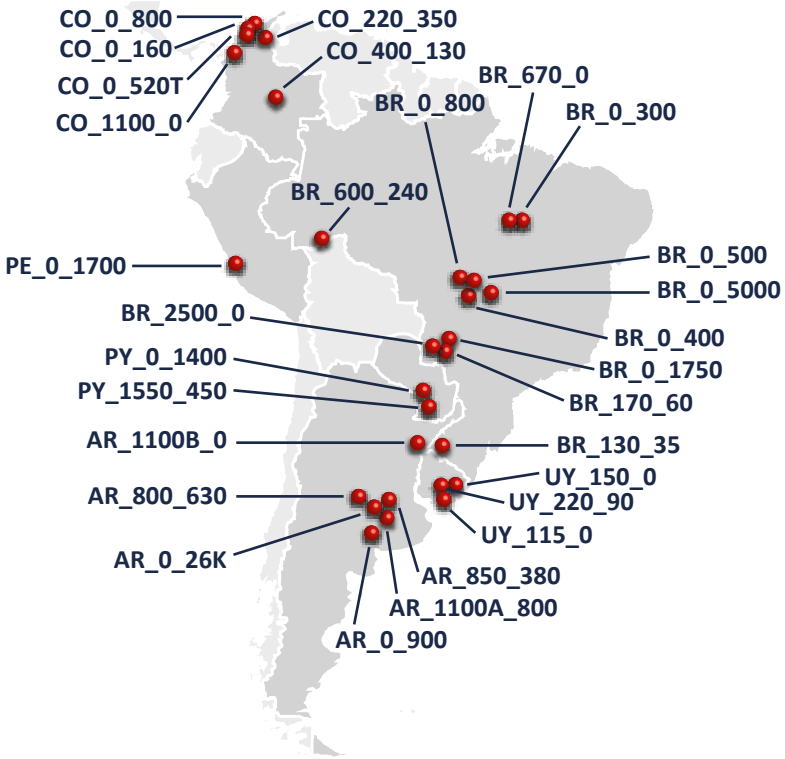
4 Beef: Country and production system results

4.1 Location of beef farms

Type and location of typical farms in North America



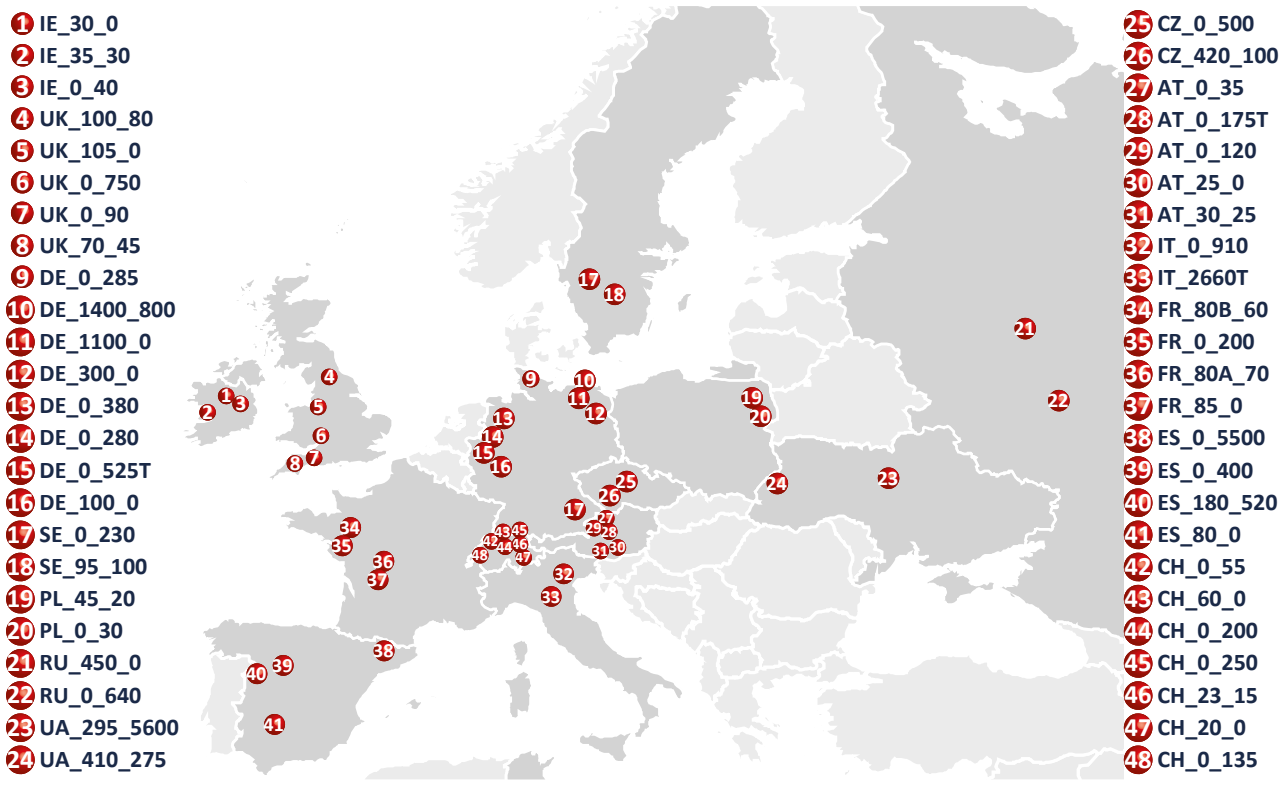
Type and location of typical farms in South America



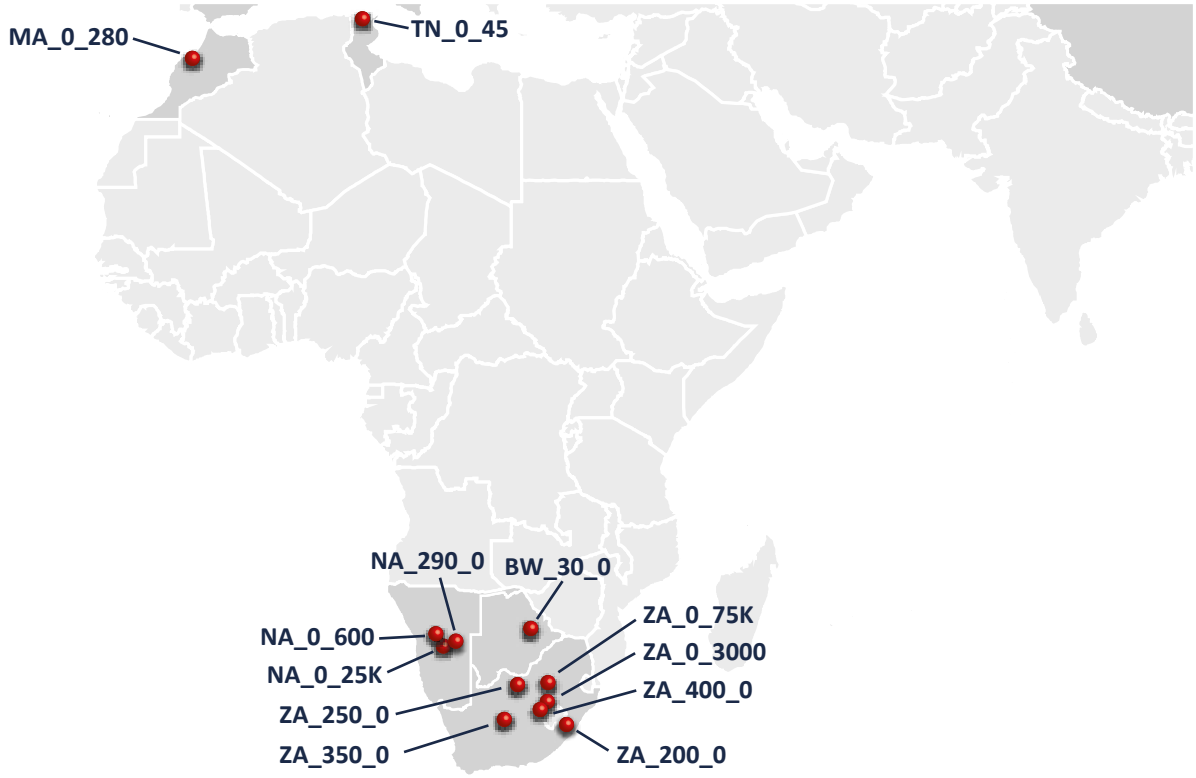
Legend

The first two letters indicate the country's name, based on the Internet domain name for each country. The first number indicates the number of suckler-cows (if any) and the second number indicates the number of finished cattle per year (if any). The suffixes behind the animal numbers have the following meaning: 'A' and 'B' differentiate between farms with identical animal numbers, for example FR_80A_70 and FR_80B_60. 'T' means a farm with top management according to the Standard Operating Procedure of *agri benchmark*, for example DE_0_525T, a finishing farm with 520 bulls sold per year. 'K' = kilo / thousand, for example US_0_75K is a feedlot with a total of 75 000 animals sold per year.

Type and location of typical farms in Europe



Type and location of typical farms in Africa



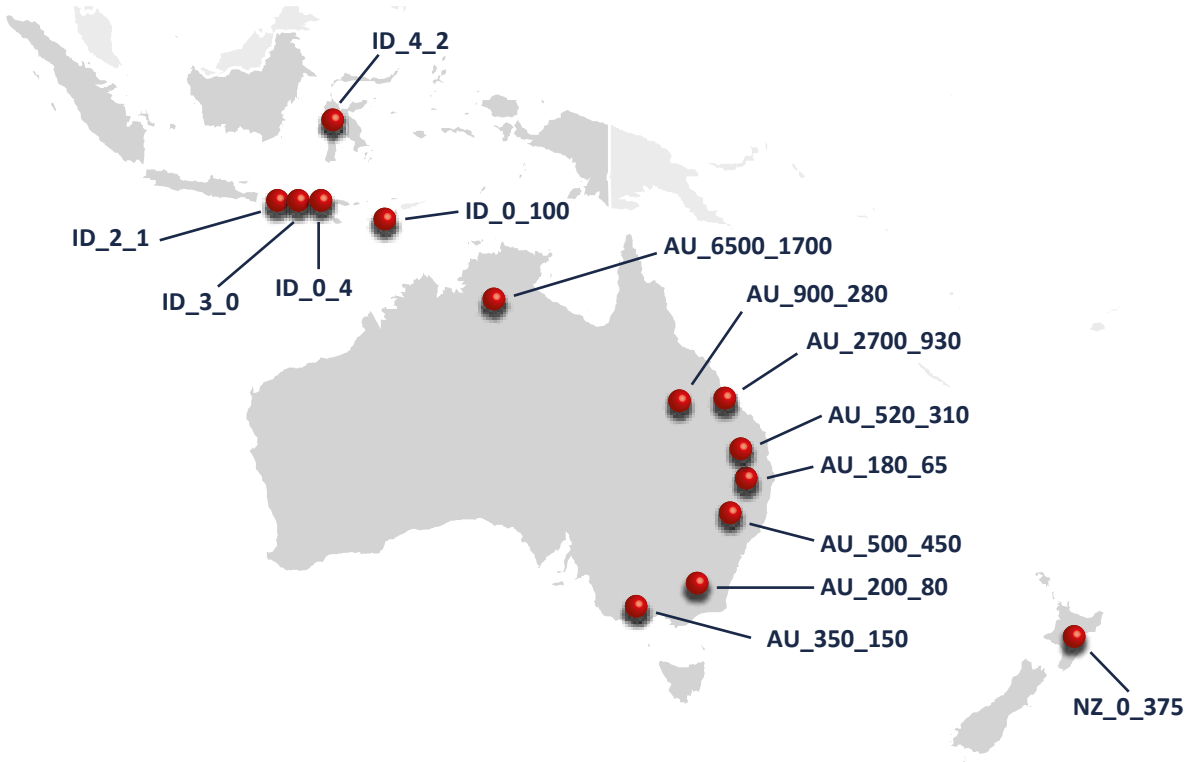
Legend

The first two letters indicate the country's name, based on the Internet domain name for each country. The first number indicates the number of suckler-cows (if any) and the second number indicates the number of finished cattle per year (if any). The suffixes behind the animal numbers have the following meaning: 'A' and 'B' differentiate between farms with identical animal numbers, for example FR_80A_70 and FR_80B_60. 'T' means a farm with top management according to the Standard Operating Procedure of *agri benchmark*, for example DE_0_525T, a finishing farm with 520 bulls sold per year. 'K' = kilo / thousand, for example US_0_75K is a feedlot with a total of 75 000 animals sold per year.

4.1 Location of beef farms

Type and location of typical farms in Asia (except Indonesia)

Type and location of typical farms in Oceania and Indonesia

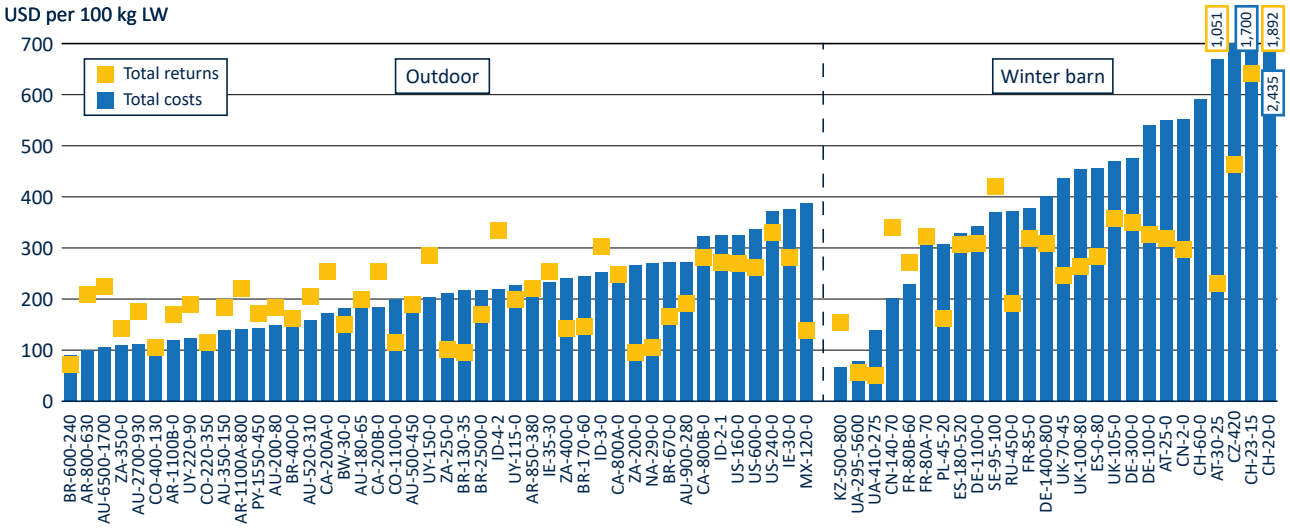


Legend

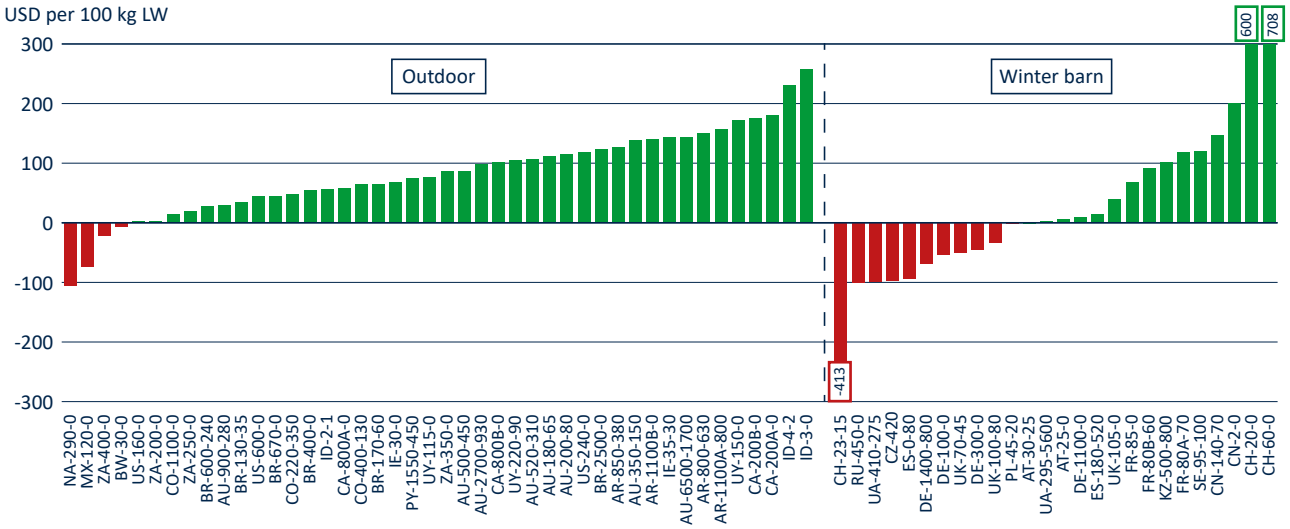
The first two letters indicate the country's name, based on the Internet domain name for each country. The first number indicates the number of suckler-cows (if any) and the second number indicates the number of finished cattle per year (if any). The suffixes behind the animal numbers have the following meaning: 'A' and 'B' differentiate between farms with identical animal numbers, for example FR_80A_70 and FR_80B_60. 'T' means a farm with top management according to the Standard Operating Procedure of *agri benchmark*, for example DE_0_525T, a finishing farm with 520 bulls sold per year. 'K' = kilo / thousand, for example US_0_75K is a feedlot with a total of 75 000 animals sold per year.

4.7 Costs, returns and profitability cow-calf

Cow-calf: Total cost and returns



Cow-calf: Mid-term profitability (total returns - cash cost - depreciation)



Cow-calf: total cost and returns by production system

- Both total returns and total costs show a wide variation between winter barn and outdoor systems as well as within the systems.
- The averages for returns and costs, respectively are for outdoor systems USD 195 / USD 211 per 100 kg LW and for winter-barn systems USD 520 / USD 380 per 100 kg LW. Thus, outdoor systems seem to have lower returns as well as lower costs than winter barn systems.
- Total costs have a higher variation than total returns. The differences in total costs between housing and outdoor systems are higher than in total returns.
- 23 percent of the winter barn systems and 43 percent of the outdoor systems can cover total costs. However, this and all the above averages are influenced by the uneven number of farms in countries and housing system.

Cow-calf: mid-term profitability by production system

- Unlike the total cost figures, mid-term profitability does not reflect opportunity costs and is calculated total returns – cash costs – depreciation.
- Like for the total returns and the total costs, the variation of mid-term profitability is higher in the winter barn systems than in the outdoor systems.
- When compared with the total returns and cost figures, the results for the mid-term-profitability look even more favourable for the outdoor systems. 90 percent are profitable whereas only half of the winter barn systems are profitable.
- It should be noted that many of the winter barn systems in Europe receive some kind of support in terms of decoupled government payments which usually makes the whole farm level profitable.

5 Sheep: Country and production system results

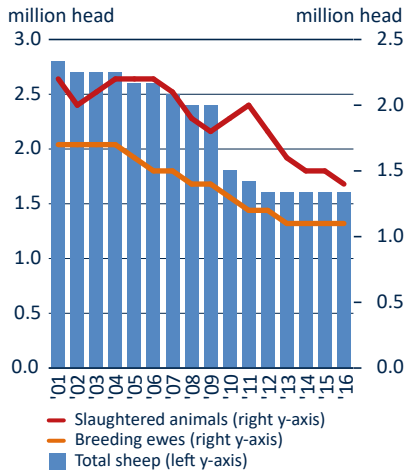
Sources for the data in this chapter:

National Statistics provided by *agri benchmark* Partners: Inventories, Beef balance, Trade balance (if available, otherwise UNComtrade), Sheep price developments, Livestock price developments

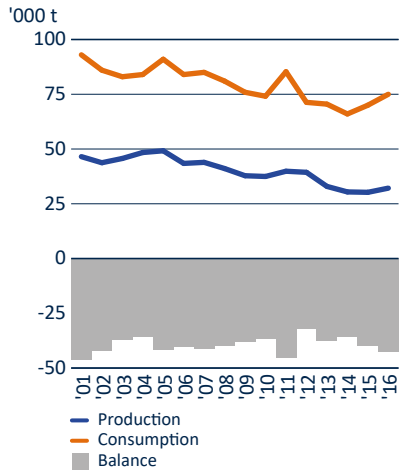
UNComtrade: Export / Import composition

Profits: *agri benchmark* Result Data Base

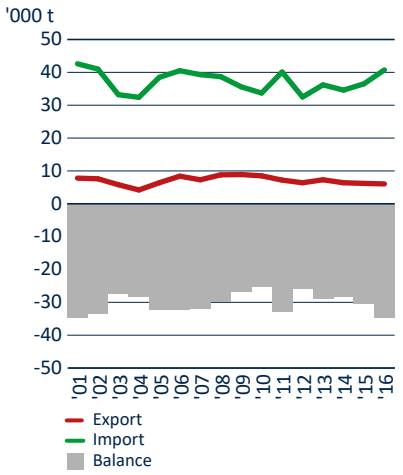
Inventories



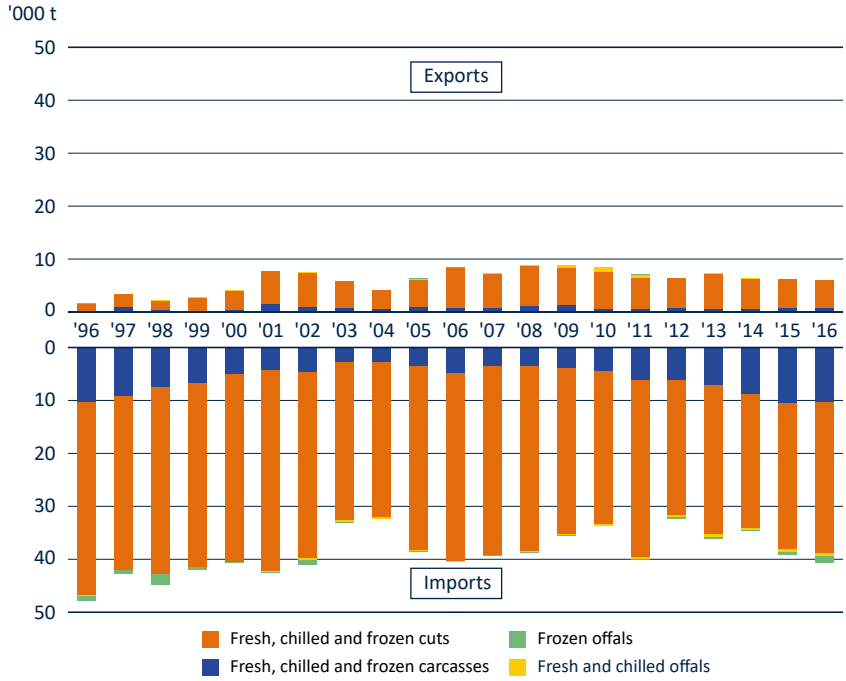
Sheep balance



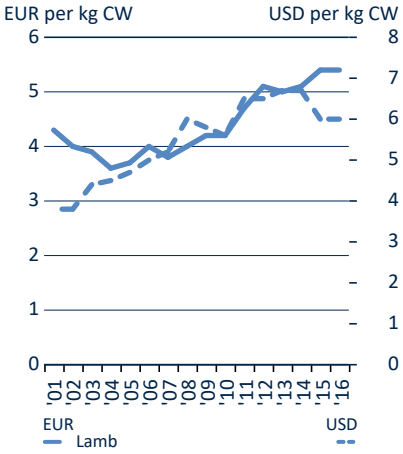
Trade balance



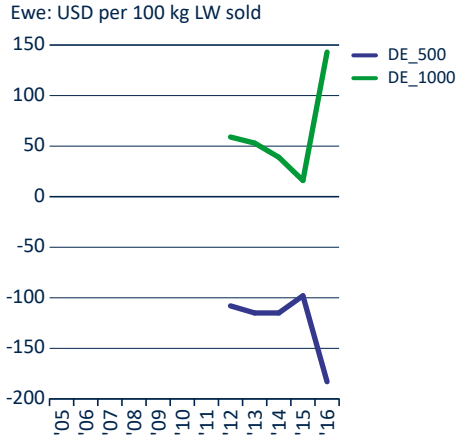
Export / Import composition



Sheep price developments



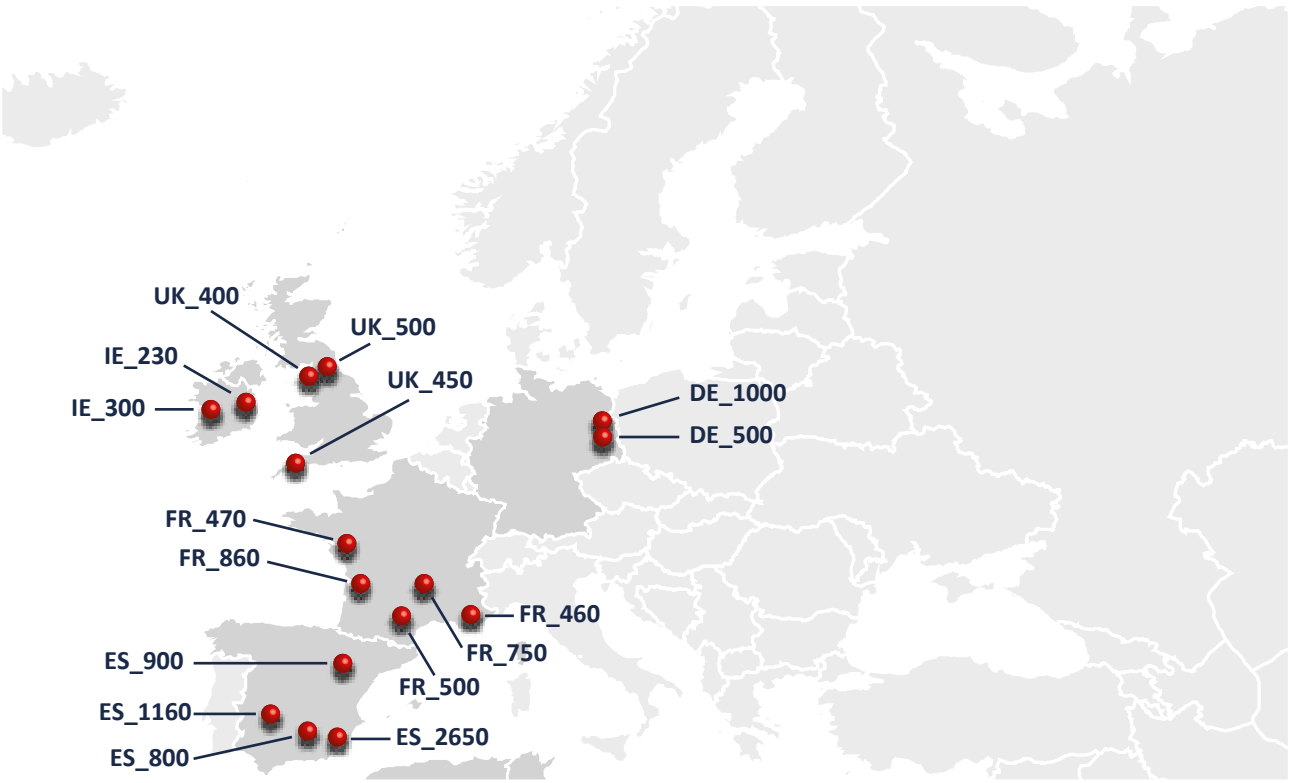
Profits



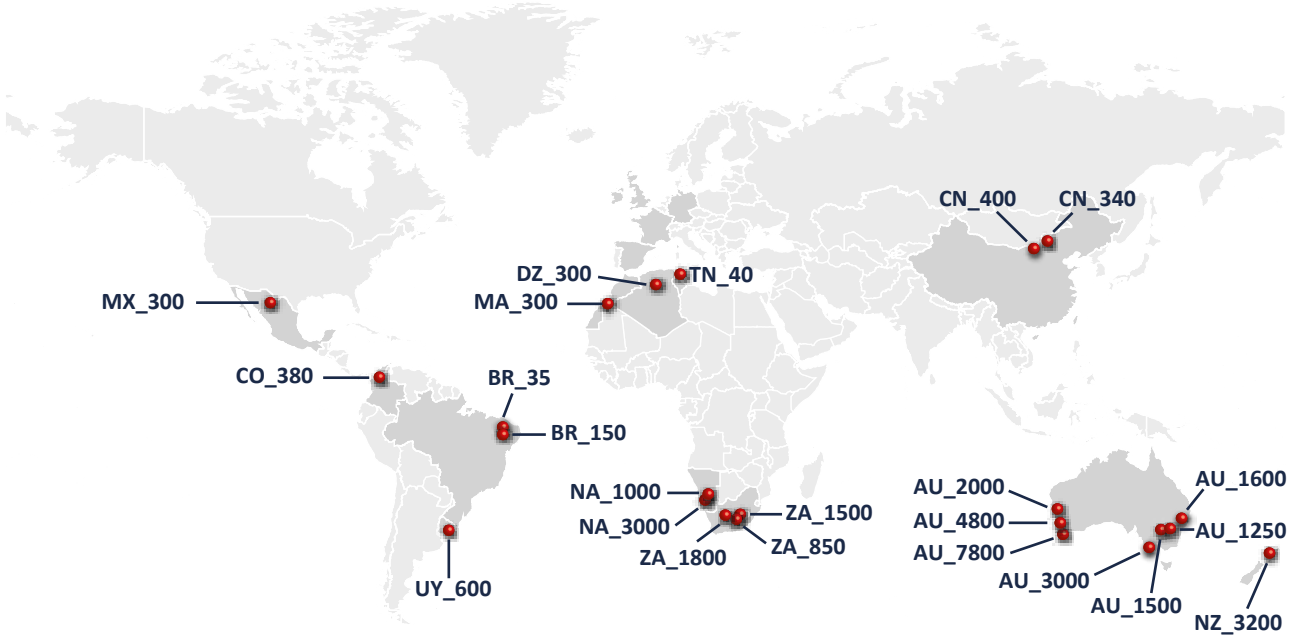
6 Sheep: Country and production system results

6.1 Location of sheep farms

Type and location of typical farms in Europe



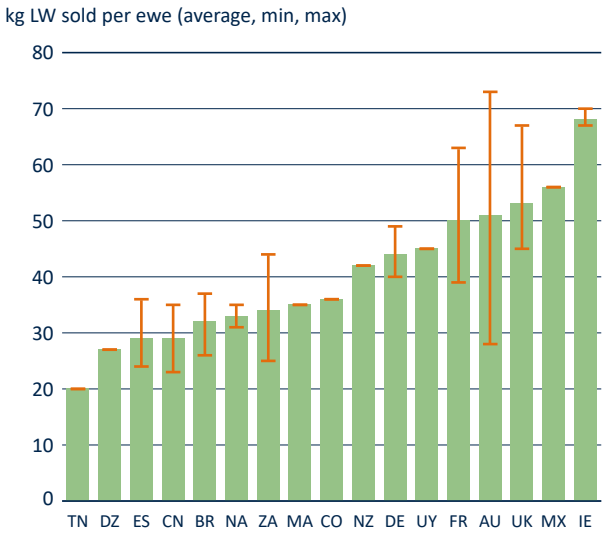
Type and location of typical non-european farms



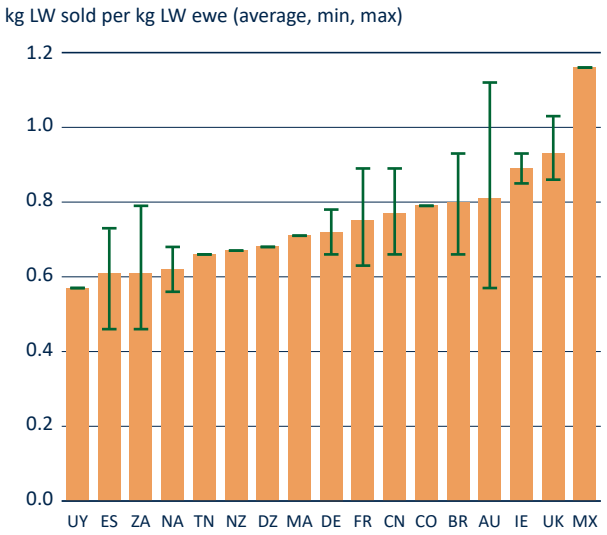
Legend

The number indicates the total number of ewes (mother sheep).

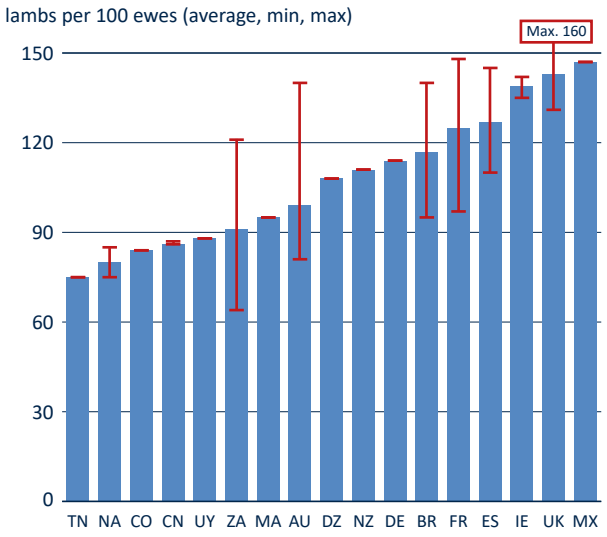
Sheep: Total weight sold per ewe



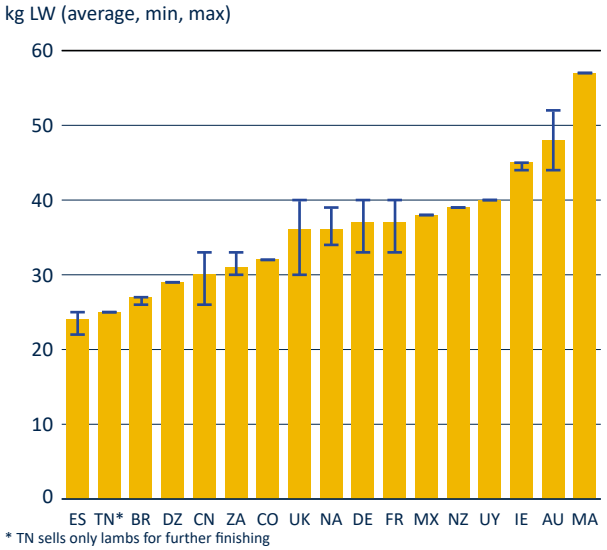
Sheep: Total weight sold per kg LW ewe



Sheep: Lambs weaned per ewe and year



Sheep: Lamb weight at slaughter



* TN sells only lambs for further finishing

Total weight sold per year

- One measure of physical productivity of the farms is the total weight sold per mother ewe in a year as the first chart shows. This indicator can however provide a partial vision of the farm performance since it does not take into account the different ewe weights (due to breed or management/feeding): heavier ewes will tend to produce heavier animals and thus more weight. To complement this indicator, a second indicator has been calculated and presented in the second chart: total live weight sold per kilogram breeding ewe.
- In average, all European farms, with the exception of Spain where the markets prefer traditionally lighter animals, sell per year more than 40 kg LW per ewe and year. Ireland reaches almost 70 kg LW. The African and South American countries sell per than 35 kg LW per ewe and year.
- The second variable, LW sold per kg LW ewe, varies between 0.57 kg LW per kg ewe in Uruguay and 1.15 kg LW per kg ewe in Mexico.

Weaned lambs and weights at slaughter

- Average number of lambs weaned vary between 75 in Tunisia and 147 lambs per 100 ewes and year in Mexico.
- Countries where occasional feed scarcity occurs wean the lowest number of lambs: Tunisia, Namibia, Colombia, China, Uruguay and South Africa are below 100 lambs per 100 ewes and year.
- Average weights at slaughter rank between 23 kg LW in Spain and 57 kg LW in Morocco.
- Differences in slaughter weights between countries are mainly due to the preferences and demands of the markets for a specific animal and should be carefully interpreted when evaluating the efficiency of the production systems.

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ISSN 2191 – 4044