



# **Evolutions and determinants of the farm income in suckler cattle farms**

*session L21.6*

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# Introduction

- 30% of the European suckler cows are located in France (4.1 M. vs 4 M. dairy cows)
- French professional cattle farms from 1990 to 2004 (FADN):
  - Useable Farm Area: +35% (57 → 77 ha)
  - Livestock Units: +42% (62 → 88 LU)
  - Annual Work Units: =
- Farmers have adapted their farming system to maintain their farm income

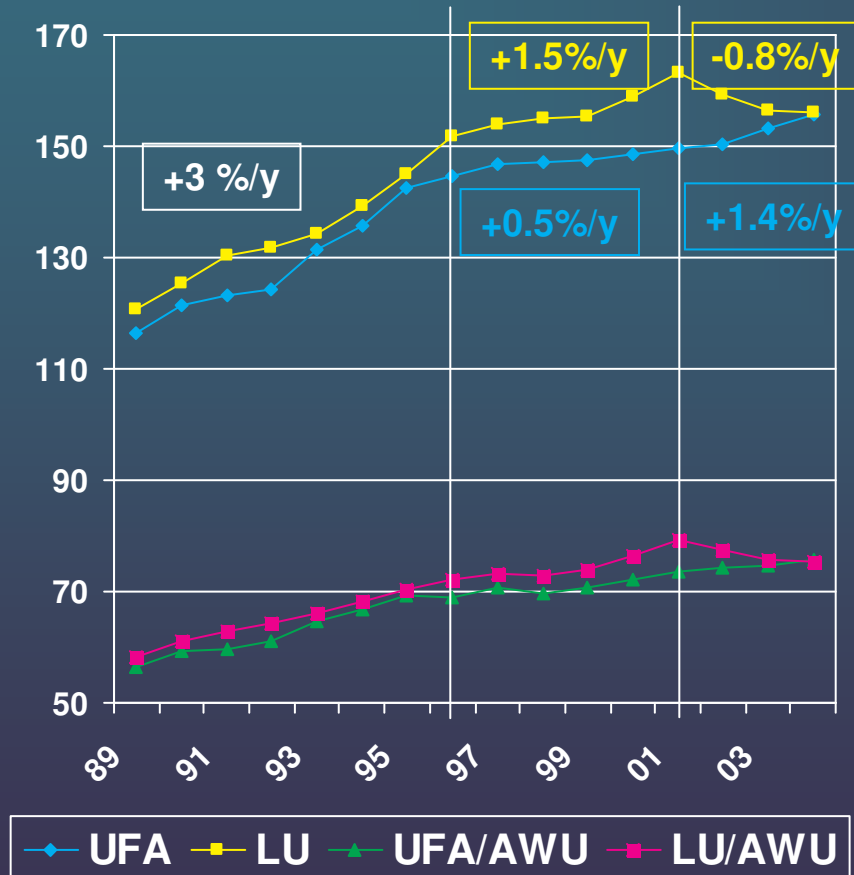
# Aims of the study

- To observe and to analyse:
  - the changes in the farming structures
  - the changes in the farming systems
  - the changes in the farm income
- To identify:
  - the main determinants of the farm income

# The sample

- 67 farms, constant group from a suckler cattle Charolais farms network
- A broad diversity of systems and production conditions
- Changes over 16 years (1989-2004) including:
  - 2 CAP reforms: 1992 and 2000
  - 2 BSE crisis: 1996 and 2001

# Farm and herd size



- Farm area and livestock units: +30%
- Annual work units: =
- Work productivity (UFA and LU/AWU): +30%

# Fodder area and herd management

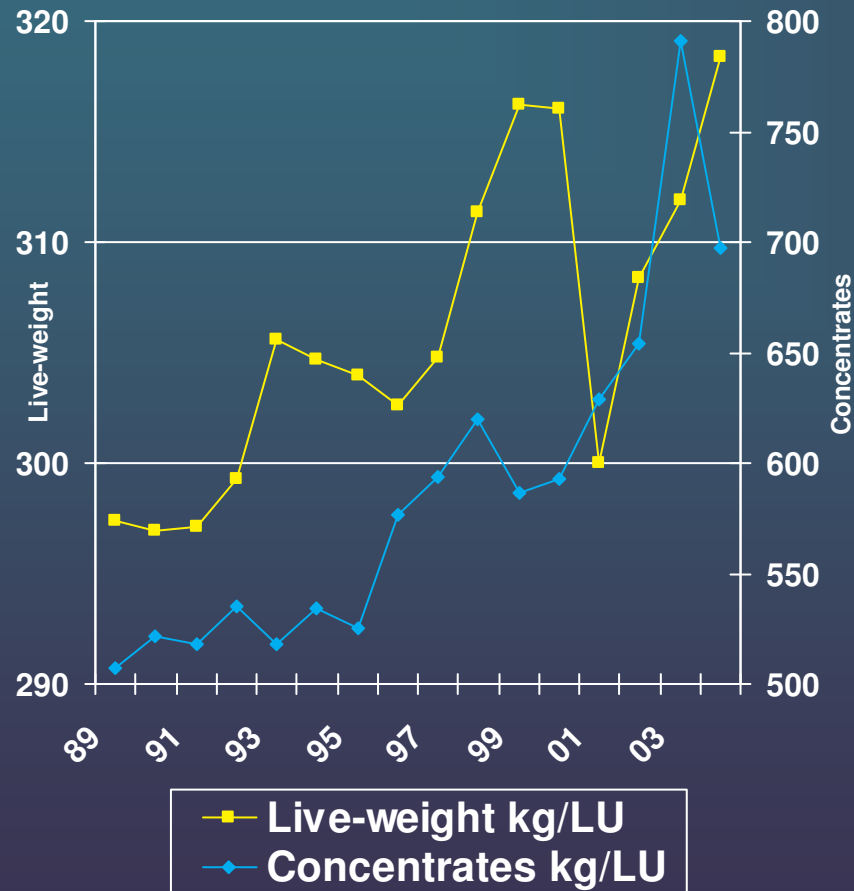
## Fodder area

- Stocking rate
  - 1989-2001: ~1.31 LU/ha
  - 2001-2004: 1.34  $\searrow$  1.23
- Maize % fodder area:
  - 6.4  $\searrow$  3.3%
- Less grass silage
- More round ball silage

## Calving, herd

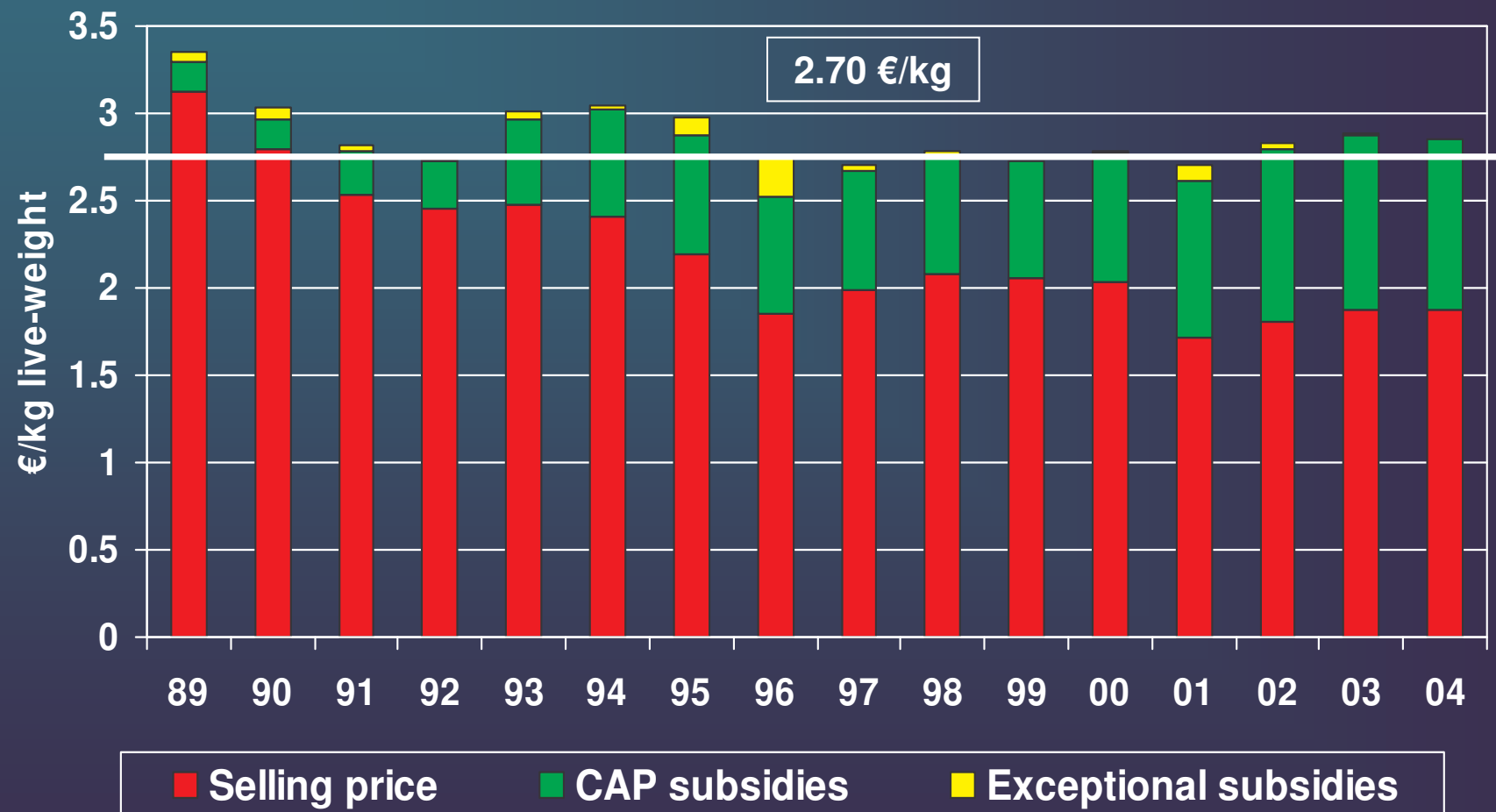
- Calving date:
  - 01/03  $\rightarrow$  01/02
- Calves mortality:
  - ~9%
- Numerical productivity:
  - ~87.5%
- Male fattening rate:
  - 50%  $\searrow$  30%

# Weight productivity



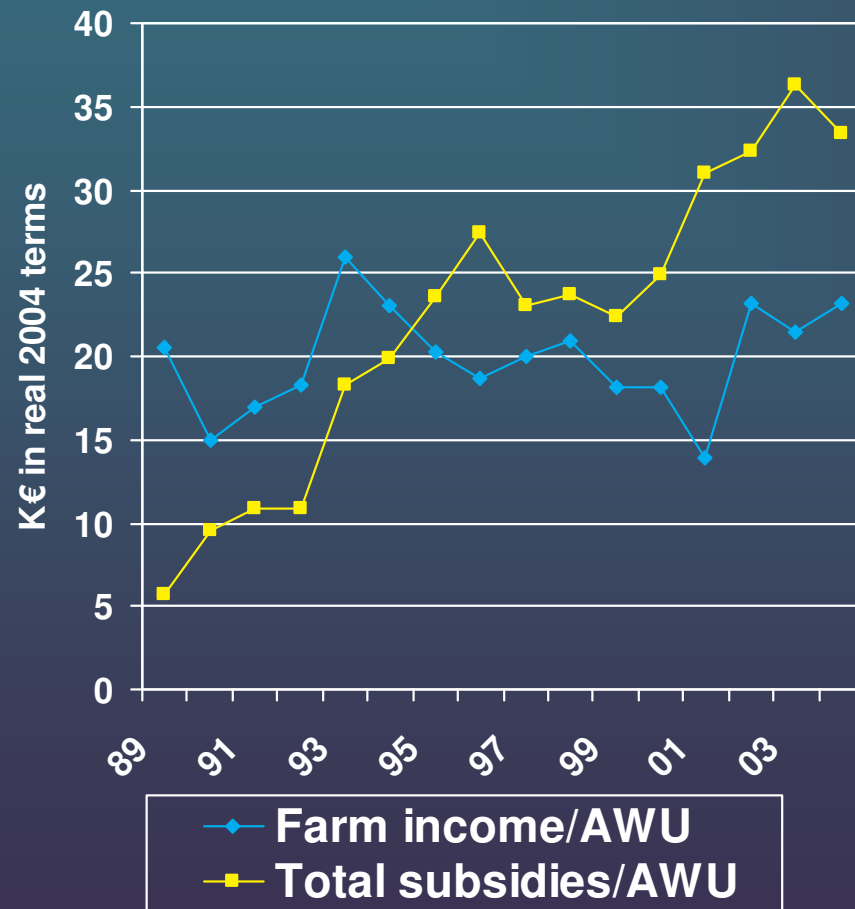
- Live-weight productivity: +7% (fluctuates and depends on the weather)
- Cull cows carcass weight: +35 kg
- Concentrates kg/LU: +37% (except 2003 drought)

# Selling price and subsidies / kg live-weight



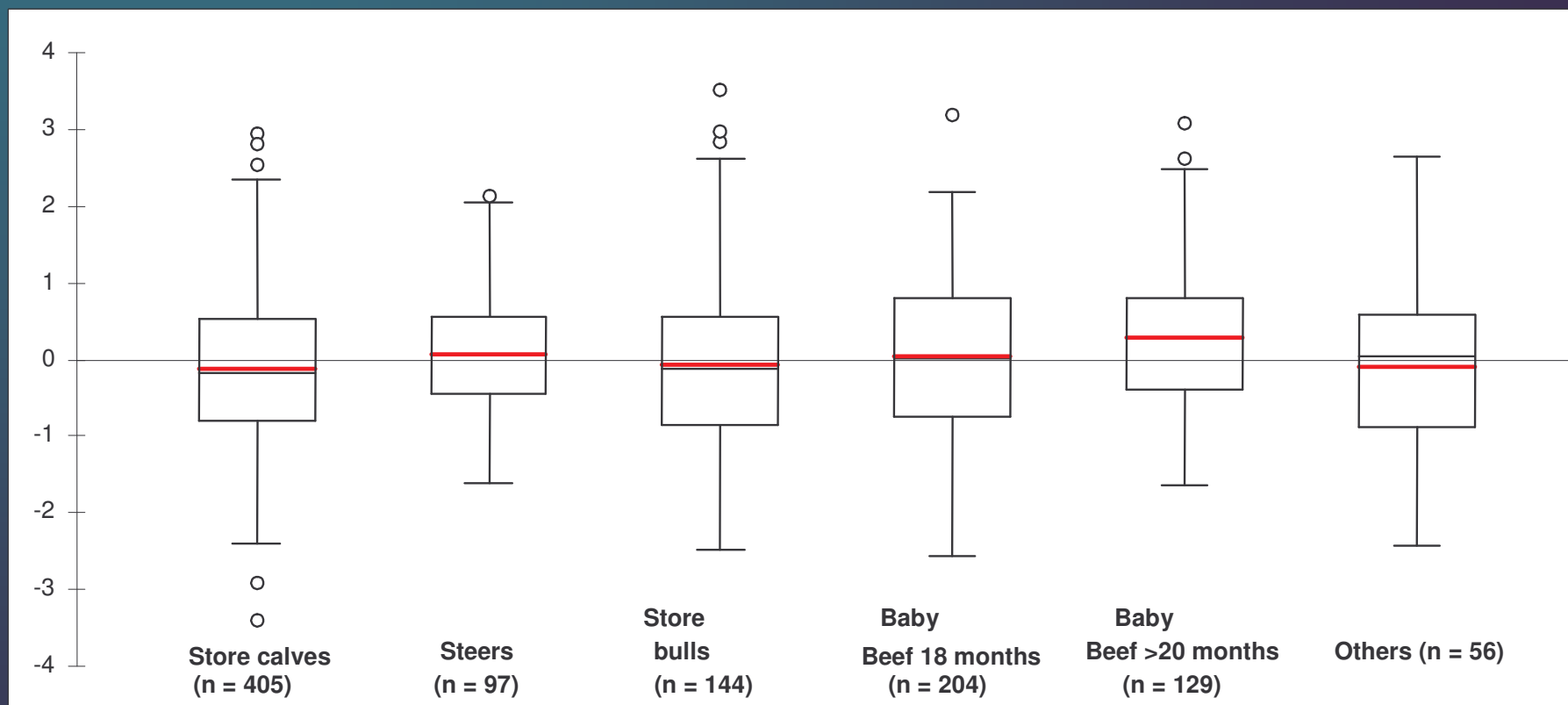


# Farm income and subsidies / worker



- Average farm income over 16 years: 19 000 €/AWU
- Since 1995: subsidies > income (income out of subsidies < 0)
- Subsidies/income:
  - 1989: 28%
  - 2001: 224% (BSE crisis)
  - 2004: 144%
- Work productivity gains: to maintain the income

# Production systems and farm income scatter



The variability of the income is greater intra systems than inter systems

# Main determinants of the income

	Before 1992	After 1992
Herd and farm size	+++++	+++++
Kg live-weight produced	+++++	0
Selling price and subsidies	+	++++
Cattle fattening	--	--
Meat specialisation	0	++

# Conclusions (1)

- The CAP had emphasized the economic importance of the farm enlargement
- Economic impacts of the farm & herd size:
  - before 1992 it generated outputs
  - after 1992 it makes it possible to perceive subsidies
- Best economic results:
  - $\neq$  best technical results
  - = consistency of the factors of production and subsidies optimisation

## Conclusions (2)

- New 2003 CAP reform, decoupling and Single Farm Payment:
  - meat market, selling price and choice of a production system?
  - technical and economic management, costs control and gross margin?
  - enlargement and SFP market?