

# **Farm meat marketing in cattle suckler breeding: economic results and impacts on breeding system management**

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# Introduction

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- Beef sector: uncertainty for selling and price levels
- Some stockbreeders choose on-farm sales to face uncertainty for price levels (especially organic farming)
- On-farm sells = 0.8% of the national beef market  
(Office de l'Élevage, 2006)  
= 30% of the organic beef sector for the Limousine breed (GabLim, 2005)
- Little knowledge about economic interest and about the consequences on the LFS organisation

# Methodology

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- Surveys carried out in 20 private farms in the centre of France (around Clermont-Ferrand)
- Sampling = **Fattening systems, specialised in beef meat production**, excluding collective selling
- Objective according to farms sampling:
  - ➔ **Diversity of animal range (categories sold)**
  - ➔ **Cutting-up management: Internalised / Externalised**
  - ➔ **Organic / conventional farming**

# Sampling (1/2)

## Cutting-up management

- Internalised: 10 farms
- Externalised: 10 farms

## Production mode

- Organic: 7 farms
- Conventional: 12 farms
- Org + Conv: 1 farm

- Larger size farms, more workers, compared to the regional situation (RICA 2004):  
137 ha, 76 calvings and 2.4 Worker Units
- On-farm sales since 2001 (average) → very recent
- Not all the the animals sold: 22 animals / year (9 to 83)  
= 32% of total production (heads)

# Sampling (2/2)

- Range: 2.9 categories / farm (average)  
mostly females, specific categories

	Cows	Heifers	Steers	Bulls	Milk calves	Older calves
Nb of farms (/20)	17	15	9	3	5	9
Nb of animals /farm	6	9	6	11	12	7

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- Economic results
  - Impacts on breeding system management
  - Conclusion

## Selling price (€/kg of carcass)

	Adults	Bulls	Milk calves	Older calves
Average	6.62	5.31	11.21	8.18
Organic – Conv. (%)	21	8	- 20	8

Weighting according to nb of animals / farm

Higher prices for organic meat, especially for adults.  
Lower prices for young calves, very well valorised in conventional farming

## Direct costs (€/kg of carcass)

	Transport	Slaught. Cutting-up	Others	Total
<b>Average</b>	0.23	1.56	0.13	1.92
<b>Intern. – Extern.</b>	0.0	- 0.20	0.12	- 0.09

Ponderation according to tons of carcass / farm

- Costs including equipment depreciation
- Higher costs when cutting-up is externalised
- Threshold = 8 t of carcass = 20 adults/year



## Net prices (€/kg of carcass)

Category	Net price	Difference with classic circuits (%)
Adults	4.64	+ 36
Bulls	3.84	+ 19
Milk calves	8.62	+ 17
Older calves	6.34	+ 12
Total	5.37	+ 29

Weighting according to nb of animals / farm

- Net prices 29% higher on average (+1.10€/kg)
- The highest difference = adult animals (cows)



## Link with the time spent in direct selling

	Annual income (€)	Time spent (d/year)	Daily income (€)
<b>Aver.</b>	8 103	40	203
<b>Min.</b>	- 1 274	4.5	- 80
<b>Max.</b>	33 081	123	1 280

Weighting according to nb of animals / farm

- Very high between-farms variability
- 84 euros / LU
- Extra work encouraging employment creation

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- Economical results
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# Farming practices: methodology

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- Comparison between "before" and "day of survey"
- "Change" = specific to farm marketing
- Distinction between cow management (reproductive herd) and other animals (to be sold)
- Identification of accurate variables (n=5; n=7)
- Description of modalities of changes

## Farming practices

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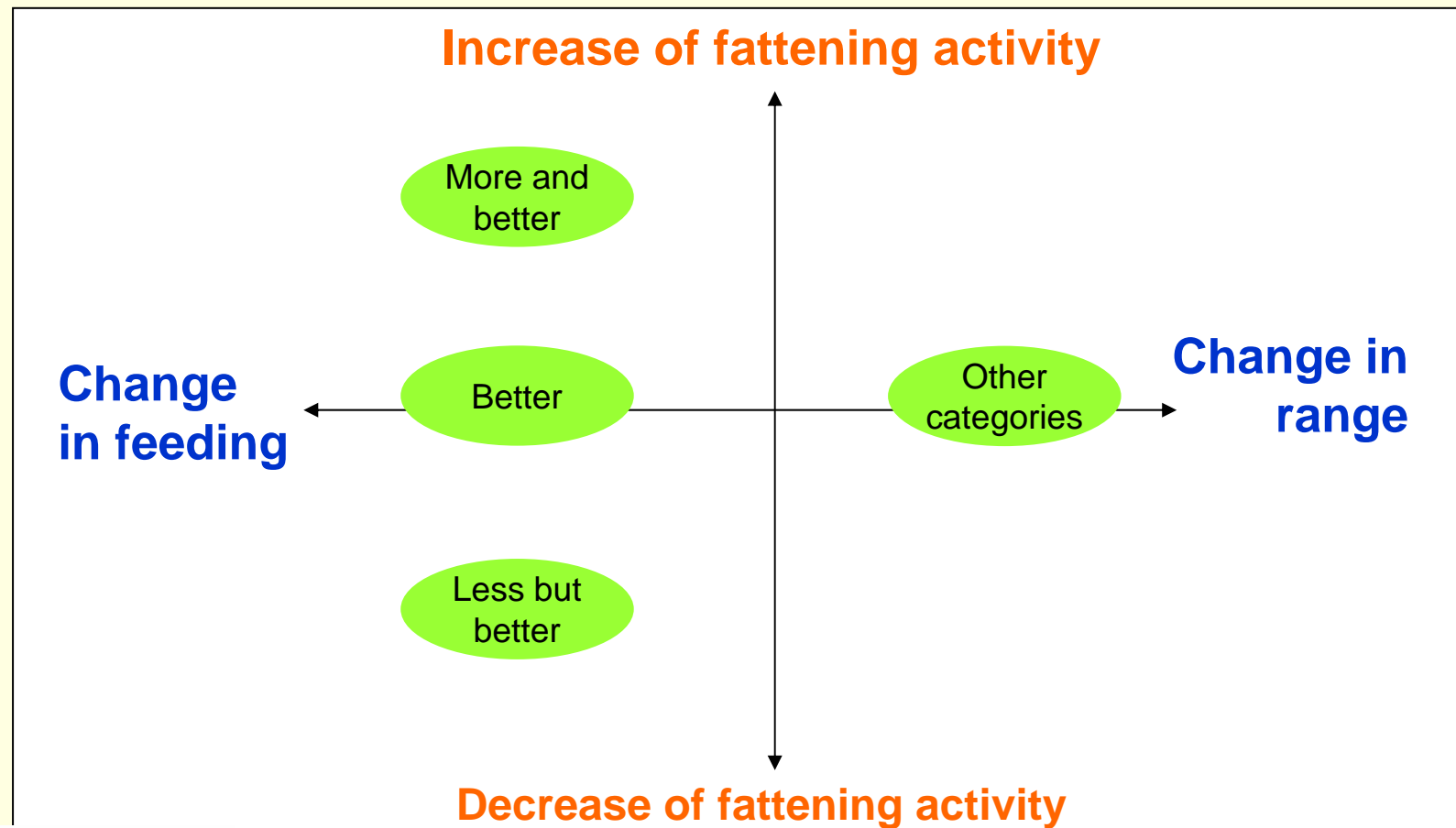
Reproductive cows (5 variables identified):

- Animals: younger cows, higher genetic level
- Schedule: longer calving period, especially to sell young calves

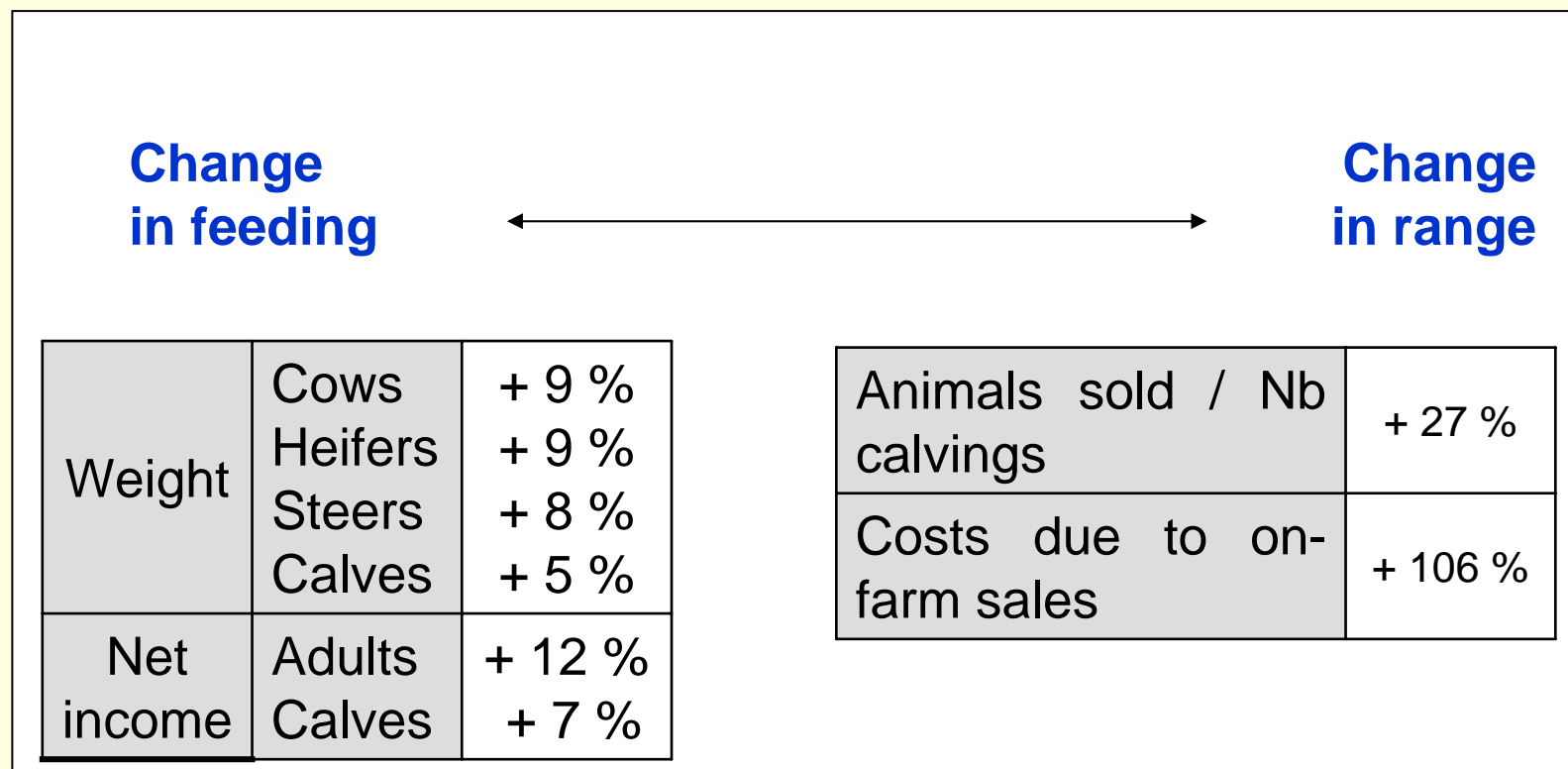
Animals to be sold (7 variables):

- To increase the quality of feeding and choose specific periods for selling each category
- To change range (categories sold) without changing practices

# Changes in the management of animals to be sold



## Changes in the management of animals to be sold



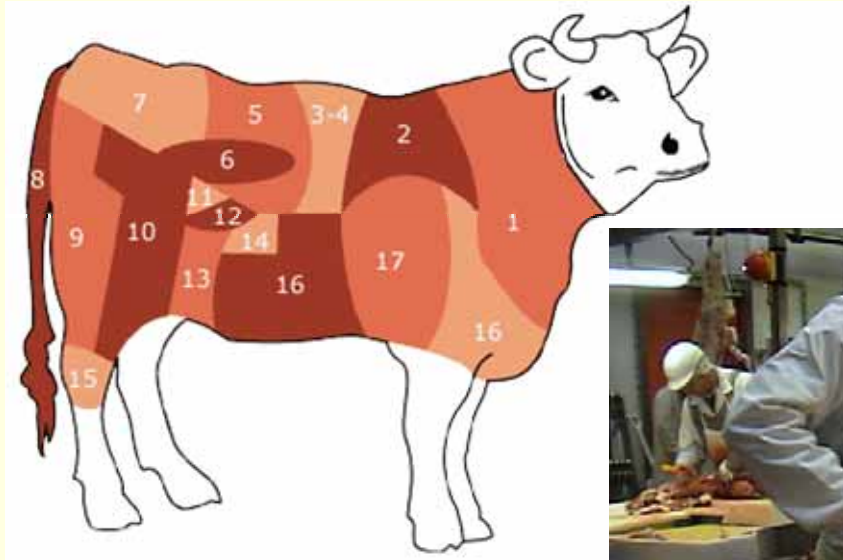
# Conclusion

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- Higher growth margin despite higher costs
- Possibility of valorising animals that are not "standard"
- An additional sales circuit within the farm
- Alternative to increasing the farm size
- Reinforcement of links with the outside world



# Thank you for your attention



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