



# FRANCE, A MAJOR SOURCE OF CATTLE FOR ITALY

## *Status and perspectives*



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1.

French beef farms: importance, diversity, profitability

2.

Fattened and lean cattle, a market for everyone

3.

Recent developments and perspectives



# 1. FRENCH BEEF FARMS:

## IMPORTANCE, DIVERSITY, PROFITABILITY

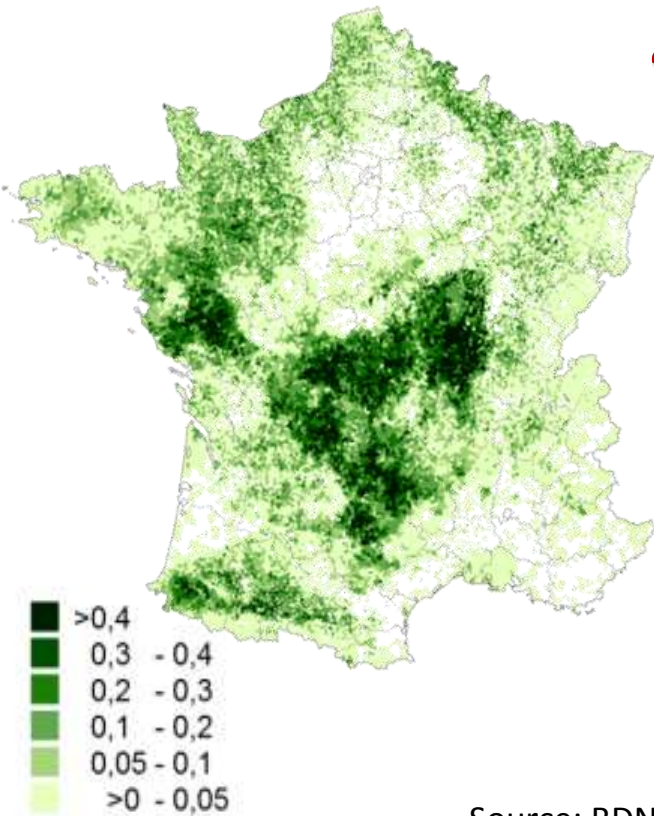
- Stock important on a European scale
- Diversity of production systems
- High production costs and low profitability



## STOCK IMPORTANT AT A EUROPEAN SCALE...

Density of suckling cows/ha

% permanent pasture/ UAA

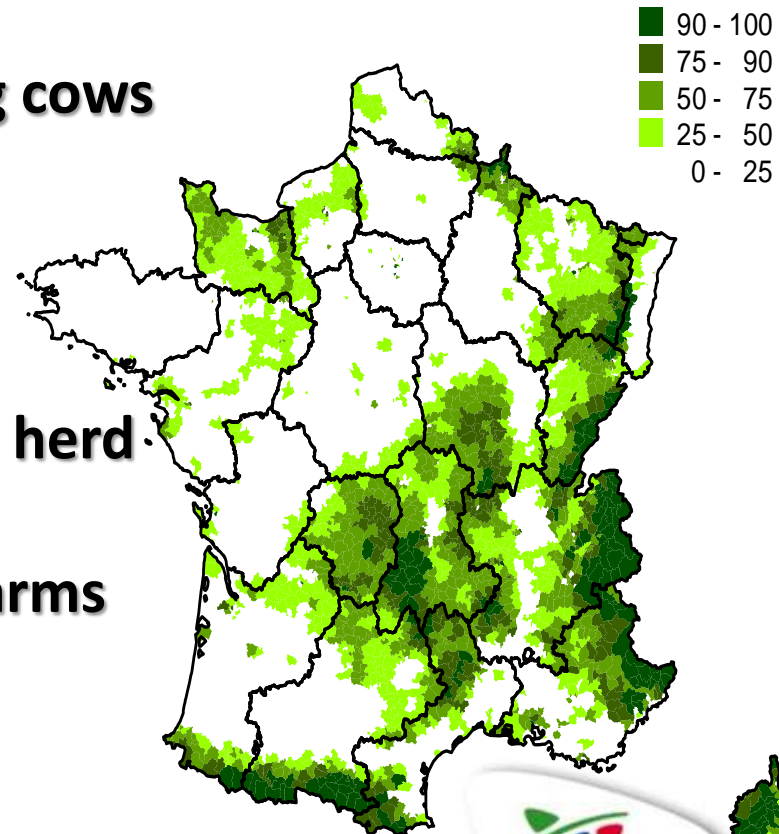


**4 million** suckling cows

↔ **53%**

**1/3** of European herd

**~56,700** beef farms



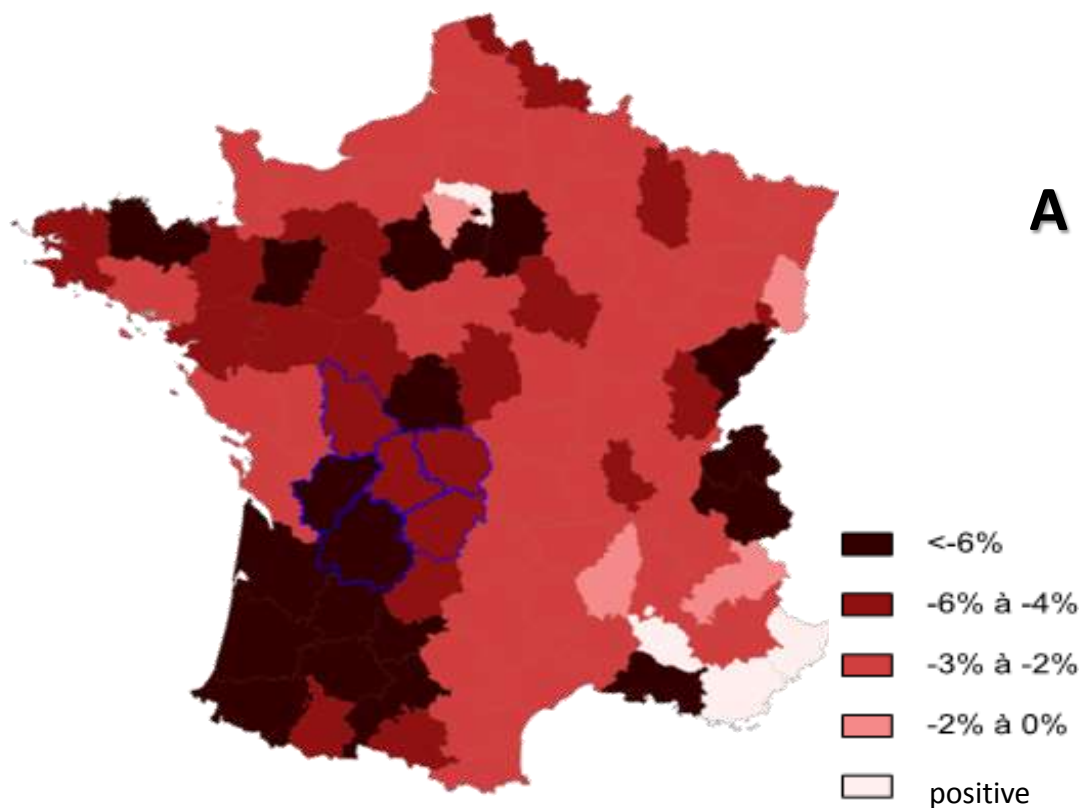
Source: BDNI and Agreste RA 2010 processed by idele





## ...ALTHOUGH RECENT DEVELOPMENTS SHOW WEAKNESSES

Changes in nb of suckling cows (2012/2010)



**A decrease of 4% since 2010**

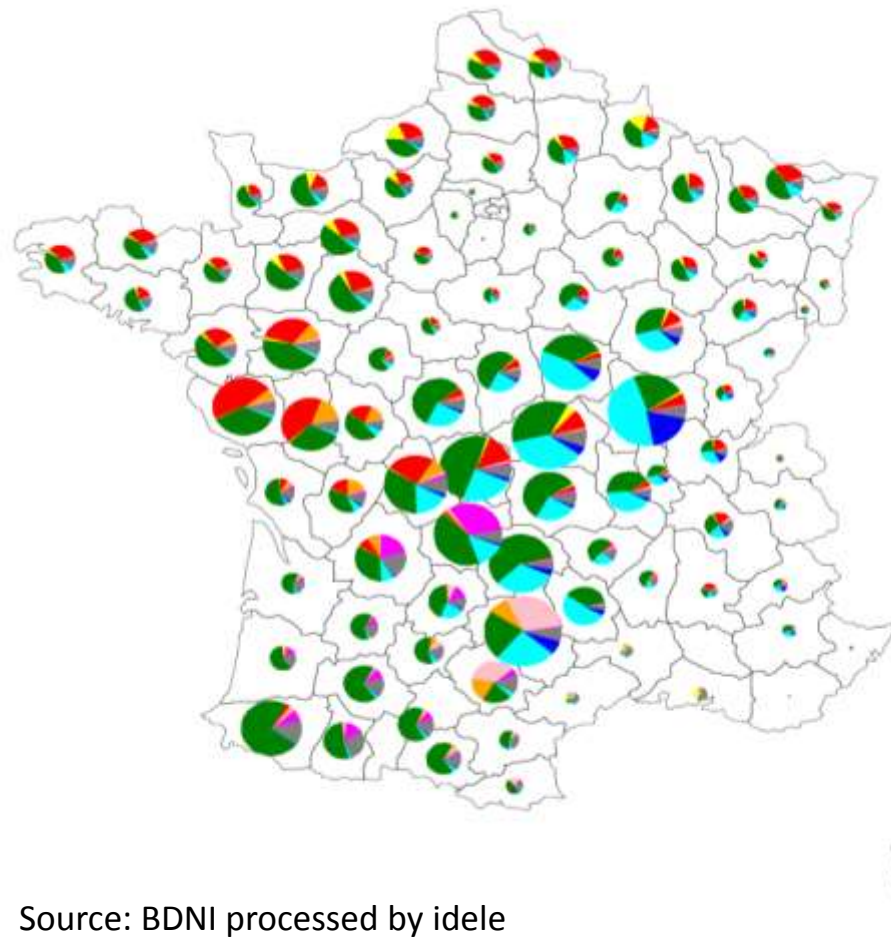
**⇔ - 200 000 cows**

Source: BDNI processed by idele

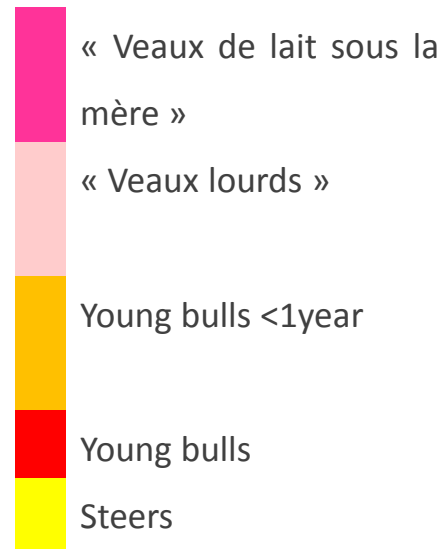


# DIVERSITY OF PRODUCTION SYSTEMS

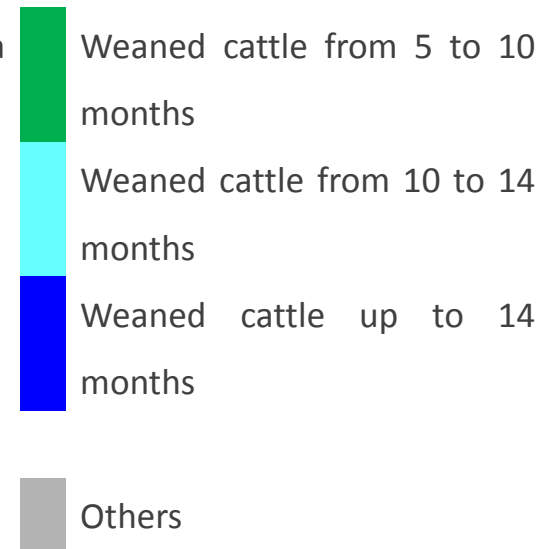
## Location of production systems



### Cow-calf and beef finishing systems



### Cow -calf systems



Source: BDNI processed by idele



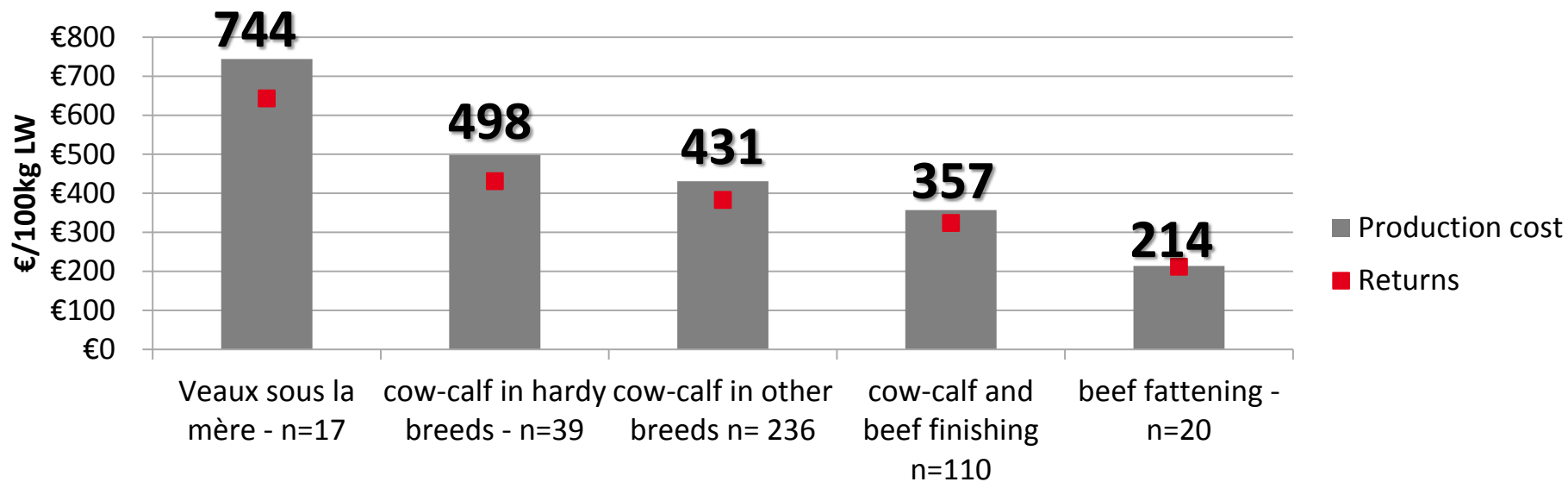
## **A view of cc and ccbf French farms**





# High production costs AND LOW PROFITABILITY

Production costs and returns in French production systems in 2012



Profitability (k€/AWU)

**13.6**

**15.4**

**12.0**

**13.6**

**25.6**

Source: Réseaux d'Elevage processed by idele





## 2.

## FATTENED AND LEAN CATTLE, A MARKET FOR EVERYONE

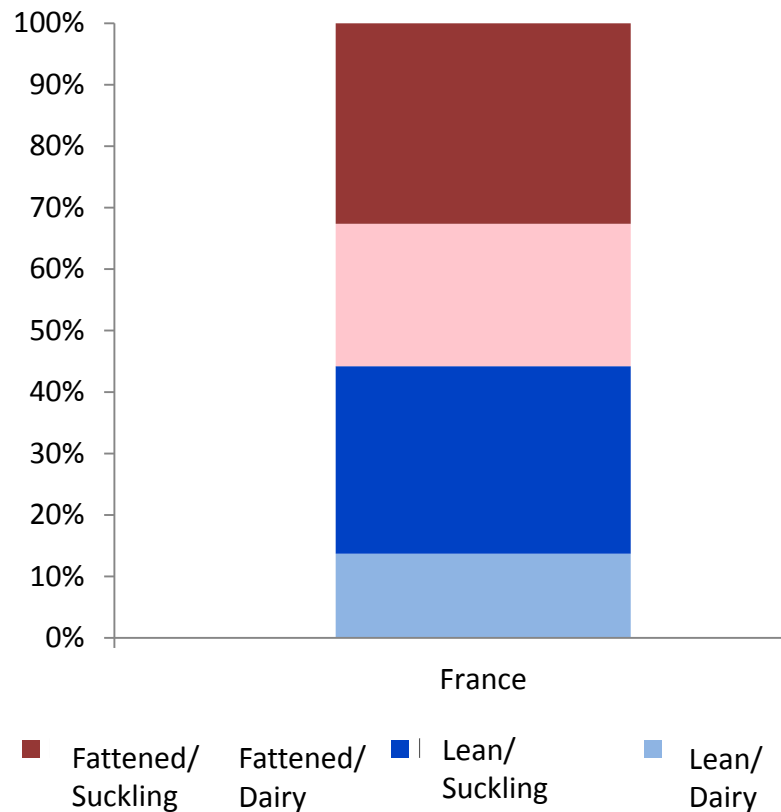


- Lean markets: especially weaned cattle sent to Italy
- Production and consumer needs do not coincide



# FATTENED AND LEAN CATTLE, A MARKET FOR EVERYONE

Share of commercialized fattened and lean animals



**56% fattened**

**44% lean**

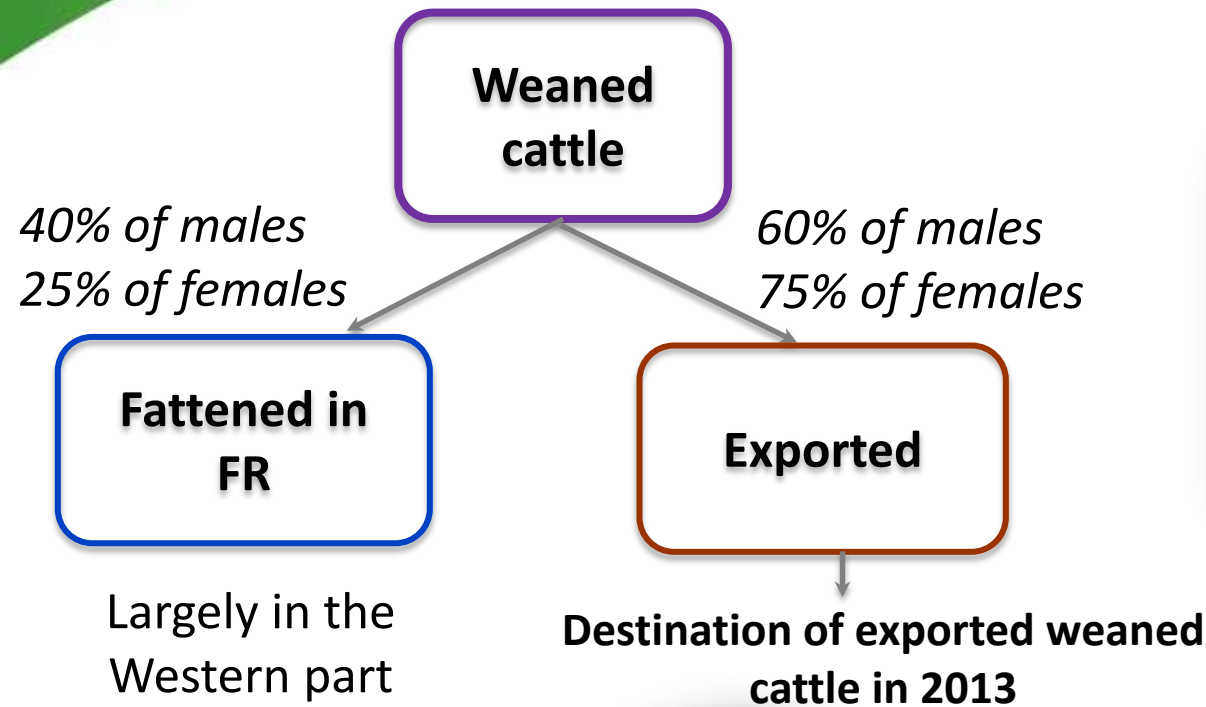
*Sold to  
slaughter  
house*

*Sold for  
fattening or  
breeding*

Source: BDNI processed by idele



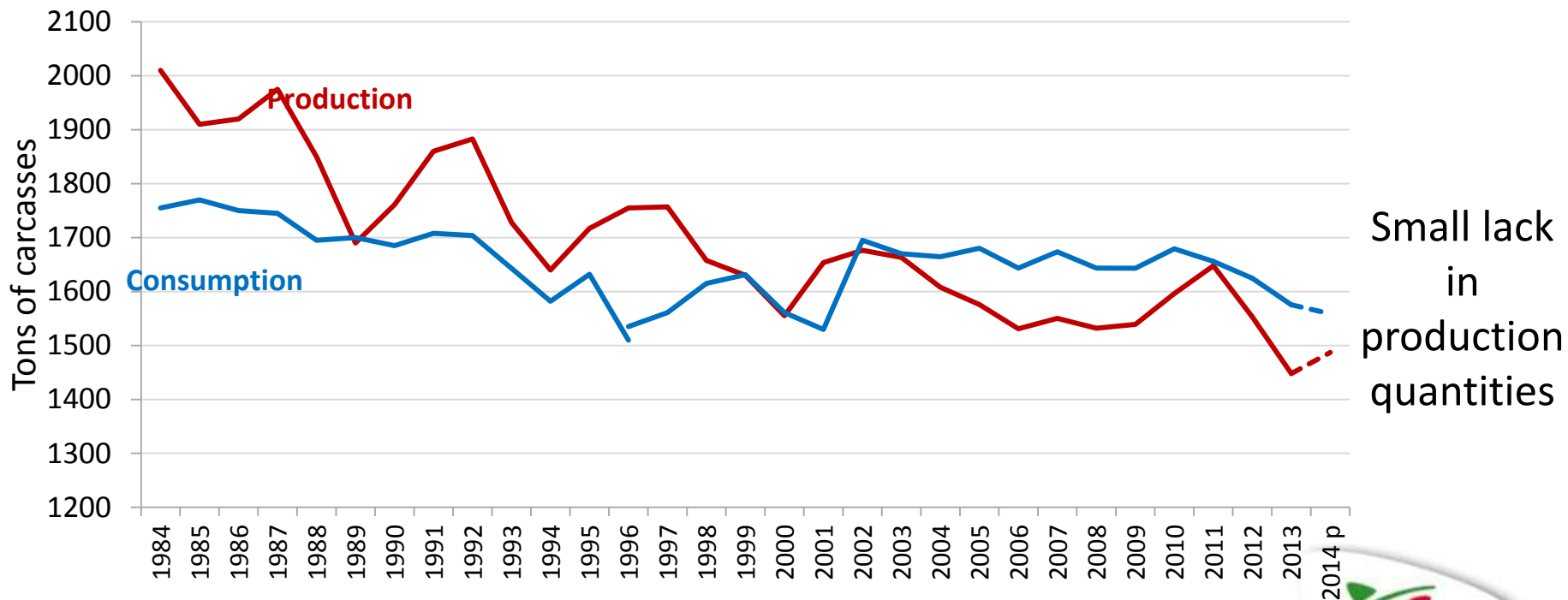
# LEAN MARKETS, ESPECIALLY WEANED CATTLE SENT TO ITALY





# PRODUCTION AND CONSUMER NEEDS DO NOT COINCIDE

## Production and consumption of beef are declining



Source : SSP and Eurostat processed by idele



# THE FRENCH DO NOT EAT WHAT THEY PRODUCE!

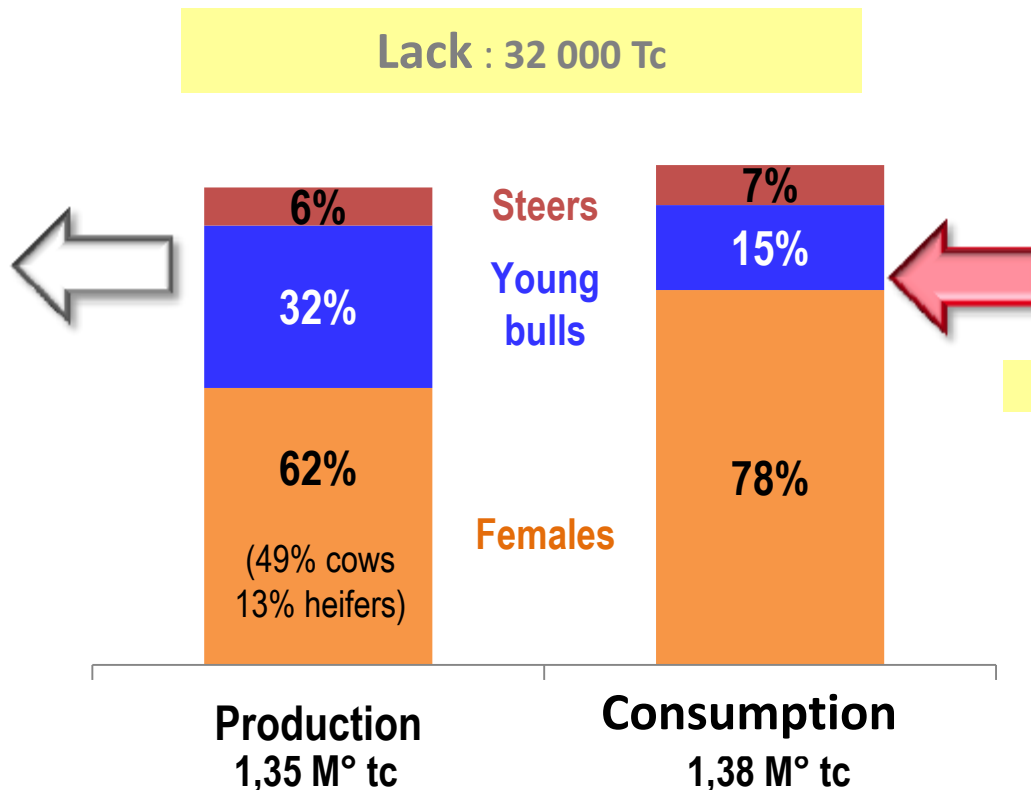
**EXPORTS**  
- **Alive cattle**  
**38 000 Tc**

- **BEEF**  
**268 000 Tc**  
especially YB

23% of production



Lack : 32 000 Tc

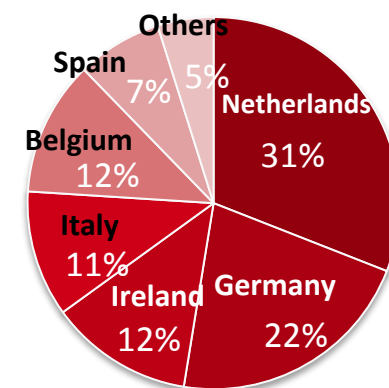


**IMPORTS**

- **BEEF**

**343 000 Tc**  
especially dairy  
cows for minced  
meat and  
restaurants

25% of consumption



Source : SSP and Eurostat processed by idele

agri benchmark conference – June 2014 - Italy



### 3.

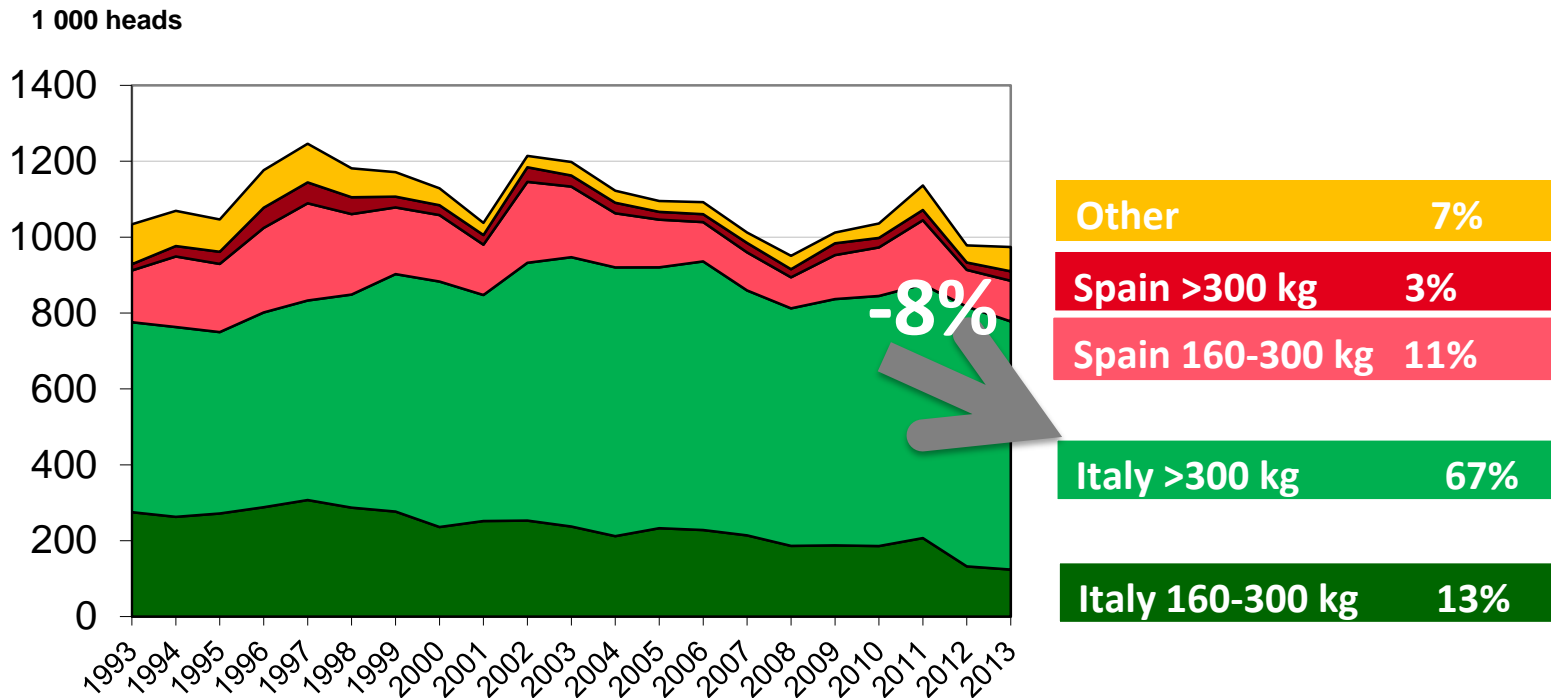
## RECENT DEVELOPMENTS AND PERSPECTIVES

- The Franco-Italian affiliation for weaned cattle is in trouble
- What about alternatives in the Mediterranean? And in France?
- Implementation of the CAP reform



## THE FRANCO-ITALIAN AFFILIATION FOR WEANED CATTLE IS IN TROUBLE

### ► Development of French lean cattle exports



Source: French customs processed by idele

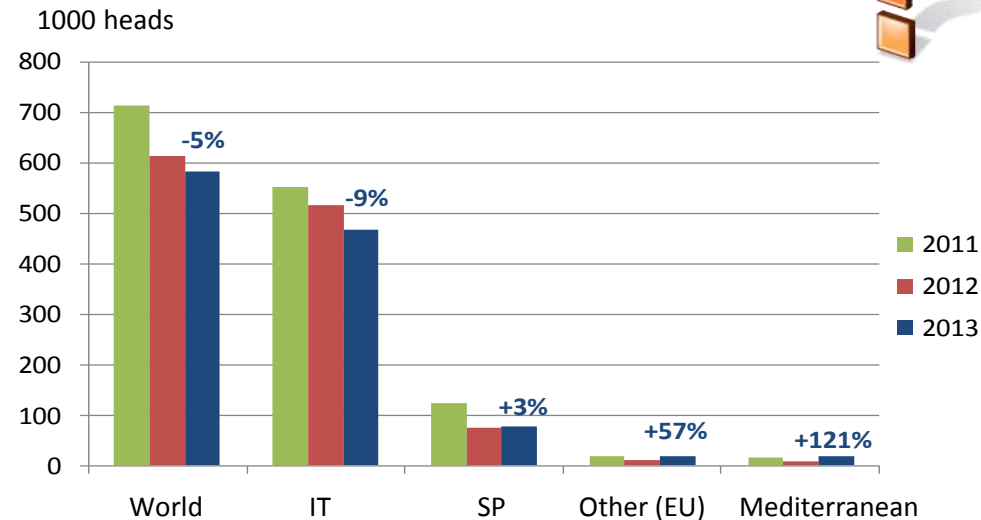
## WHAT ABOUT ALTERNATIVES ?

### ► Why not export more to the Mediterranean ?

► Increase in prices paid to farmers

► BUT :

- At the moment, opportunity market
- Volumes don't cover decrease in the Italian market



Source : French customs processed by idele

### ► Why not fatten calves in France?

- To sell the carcasses and keep the added value
- Several initiatives to develop collective fattening operations
- MAIN DIFFICULTY :
  - feed resources and self-sufficiency





## FRENCH IMPLEMENTATION OF THE CAP REFORM

### ▶ Coupled payments per suckler-cow (if >10):

- ▶ From 1 to 50 cows : 181 € per Suckler cow
- ▶ From 51 to 99 cows : 136 € per Suckler cow
- ▶ From 100 to 139 cows : 73 € per Suckler cow
- ▶ > 139 : 0 €



### ▶ Redistributive payments for the first 52 hectares

### ▶ Less favored areas: rise in amounts but the grassland premium stopped



## CONCLUSION

Strengths	Weaknesses
<p>Old, <b>well-organized</b>, close by, trust</p> <p>Good image : <b>quality</b></p> <p>Good <b>valorization</b> of carcasses</p>	<p>Recent decline, complaints:</p> <ul style="list-style-type: none"><li>-From the Italian sector: <b>shape of animals</b> (too big) and <b>season</b></li><li>-From the French sector: delays in <b>payment</b></li></ul>
Opportunities	Threats
<p>Provide more guarantees for <b>animals health standards</b></p> <p>Dairy specialization of the European livestock?</p>	<p><b>Economic situation</b></p> <ul style="list-style-type: none"><li>-Regarding producers (FR&amp;IT): CAP, cope with production costs, generational inheritance</li><li>-Regarding consumption : Decrease in consumption, competition with white meats, increased demand for “price first” products (imported beef)</li></ul>



**Thank you for your attention**

**Gracias por su atención**

**Ringrazio voi tutti per l'attenzione**

**Děkuji za pozornost**

**Obrigado pela atenção**



**Merci de votre attention**

**感谢您的关注**

**Dankie vir jou aandag**

**Tack för er uppmärksamhet**

**Danke für eure Aufmerksamkeit**

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