

# International perspective of beef production

Dr. Claus Deblitz  
Thünen Institute of Farm Economics



Valledupar, Colombia  
17.06.2015

# Content

1. The network
2. Global situation
3. Farm-level results – Resultados al nivel de la finca
4. Perspectives

# *agri benchmark* – understanding agriculture worldwide

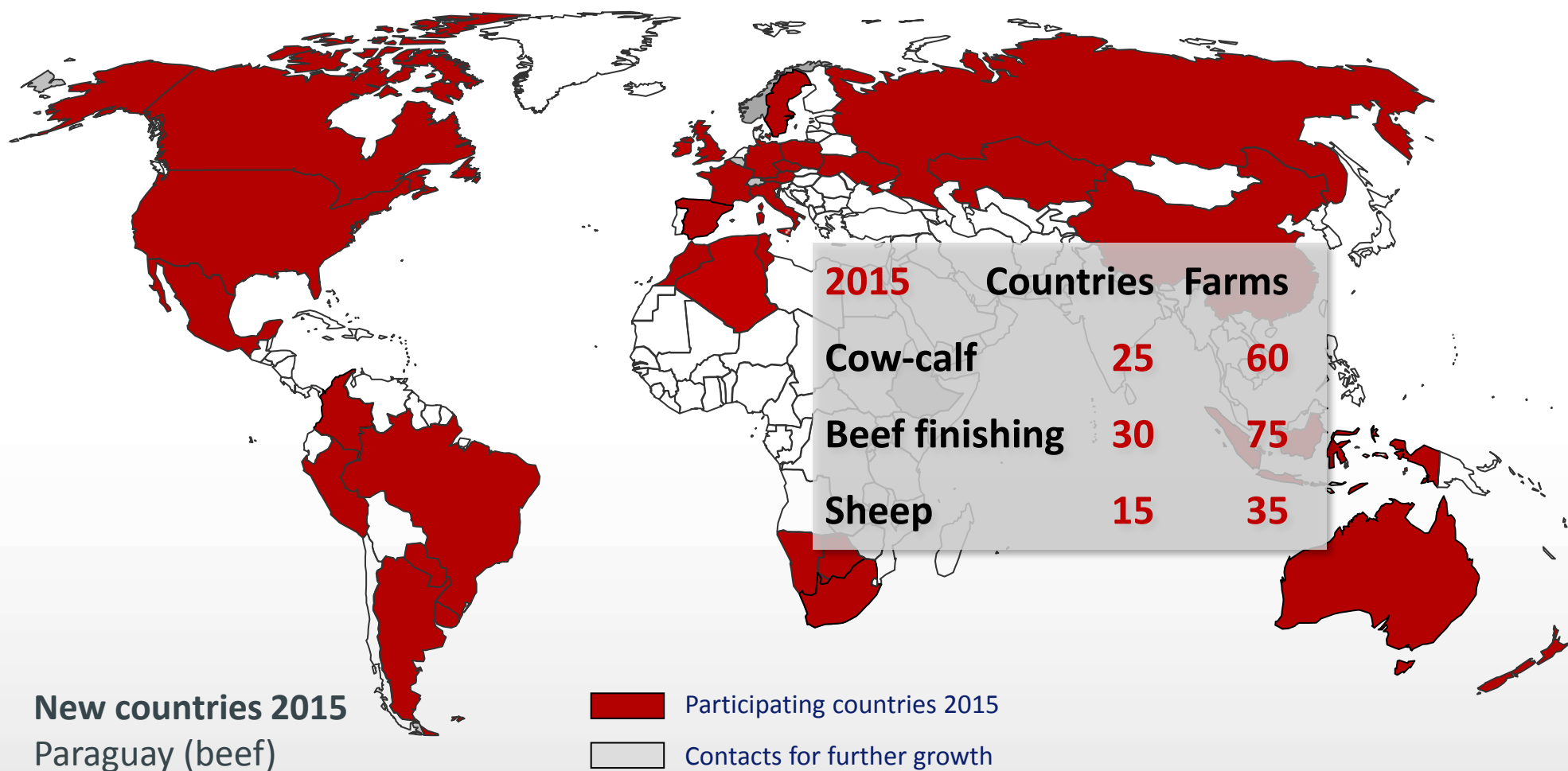


Our core competence:

**Production systems and their economics**

An expert network which started in 2002 >>> more than just data

# The *agri benchmark* Beef and Sheep Network in 2015





# Why is *agri benchmark* important for Colombia?

Provides the only, detailed and permanently updated global data base of cattle and sheep production systems and their economics

Provee la única base de datos global detallada y permanente de los sistemas de producción bovina e ovina como de su economía

Shows your producers their international position and competitiveness

Le muestra a los productores su posición y competitividad internacional

Links Colombian producers, organisations and researchers to a high-level group of international livestock economists

Vincula a los productores, organizaciones e investigadores colombianos con economistas internacionales de alto nivel

Is a source of information for global developments of the beef and sheep industry through our expert network

Es una fuente de información para el desarrollo global de la industria bovina y ovina por medio de nuestra red de expertos

# Why is *agri benchmark* important for Colombia?

Can be used as a monitoring and assessment system for changes in beef production systems  
(for example silvopastora systems)

Puede ser utilizado como sistema de monitoreo y asesoramiento para los cambios en los sistemas de producción ganadera  
(por ejemplo los sistemas silvopastoriles)

Uses harmonised methods and involves producers and advisors, yielding realistic and comparable results

Utiliza métodos harmónicos e involucra productores y asesores, brindando resultados reales y comparables

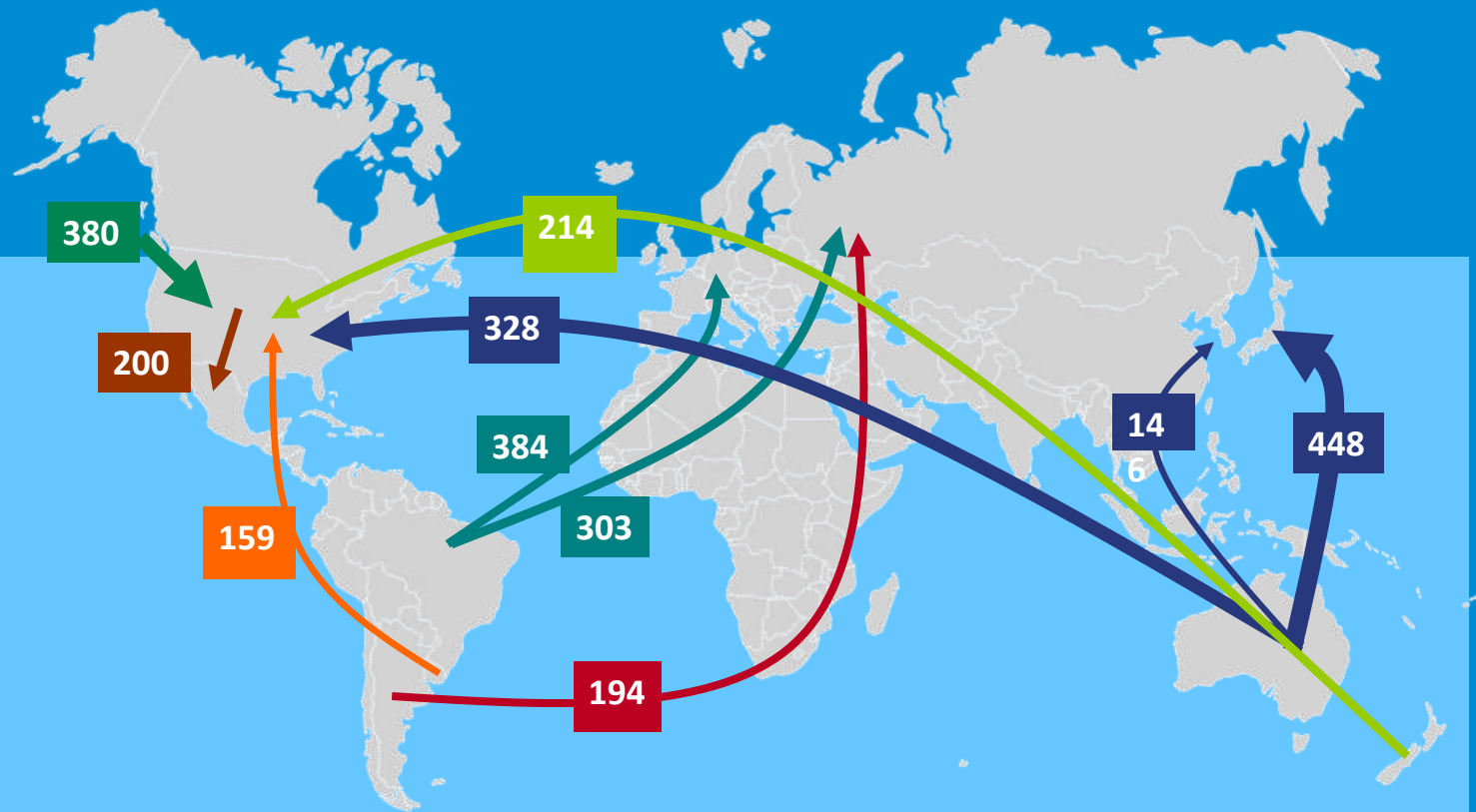
Is non-profit, independent  
non-political

Es sin ánimo de lucro,  
independiente y apolítico

# Partners of the Beef and Sheep Network



# Global situation





# Cattle meat consumption

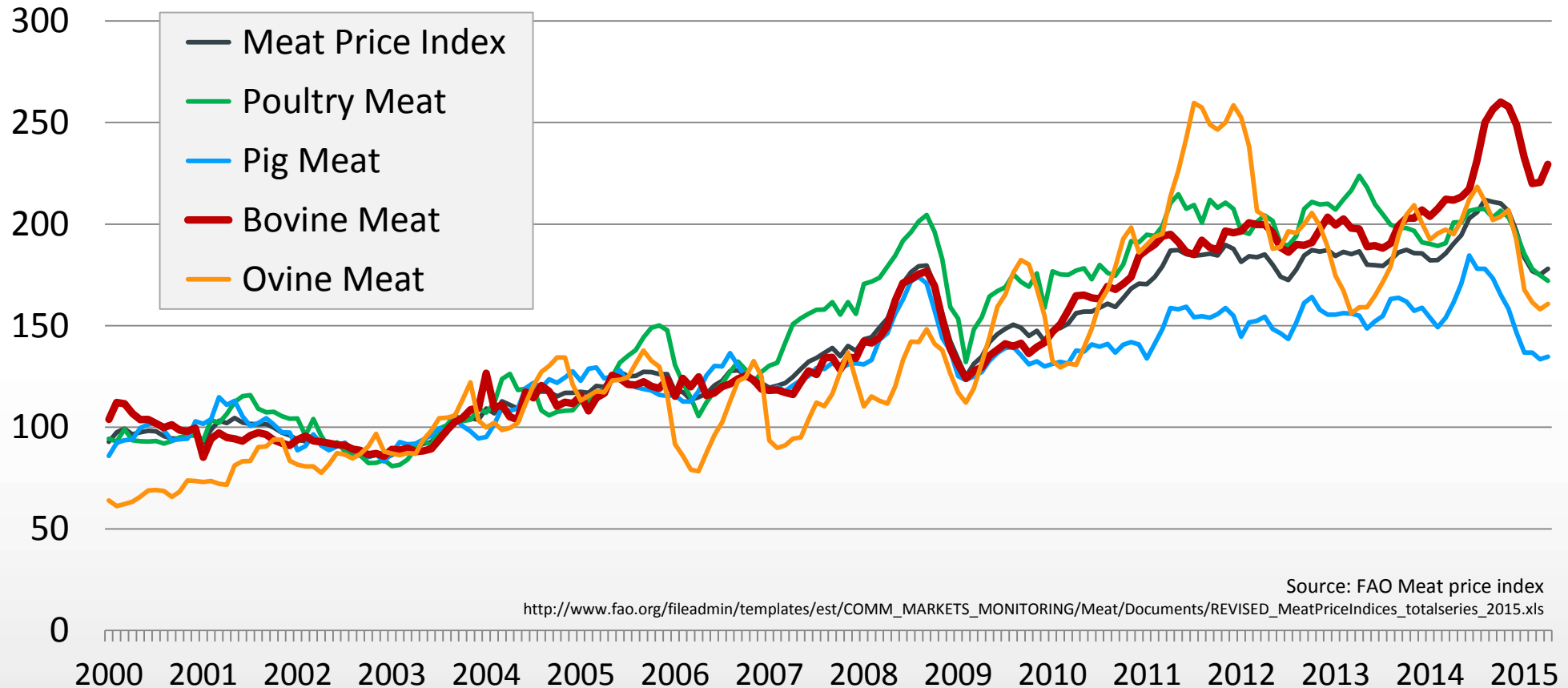
- change (1000 tonnes) 2002 - 2004 vs. 2011 - 2013



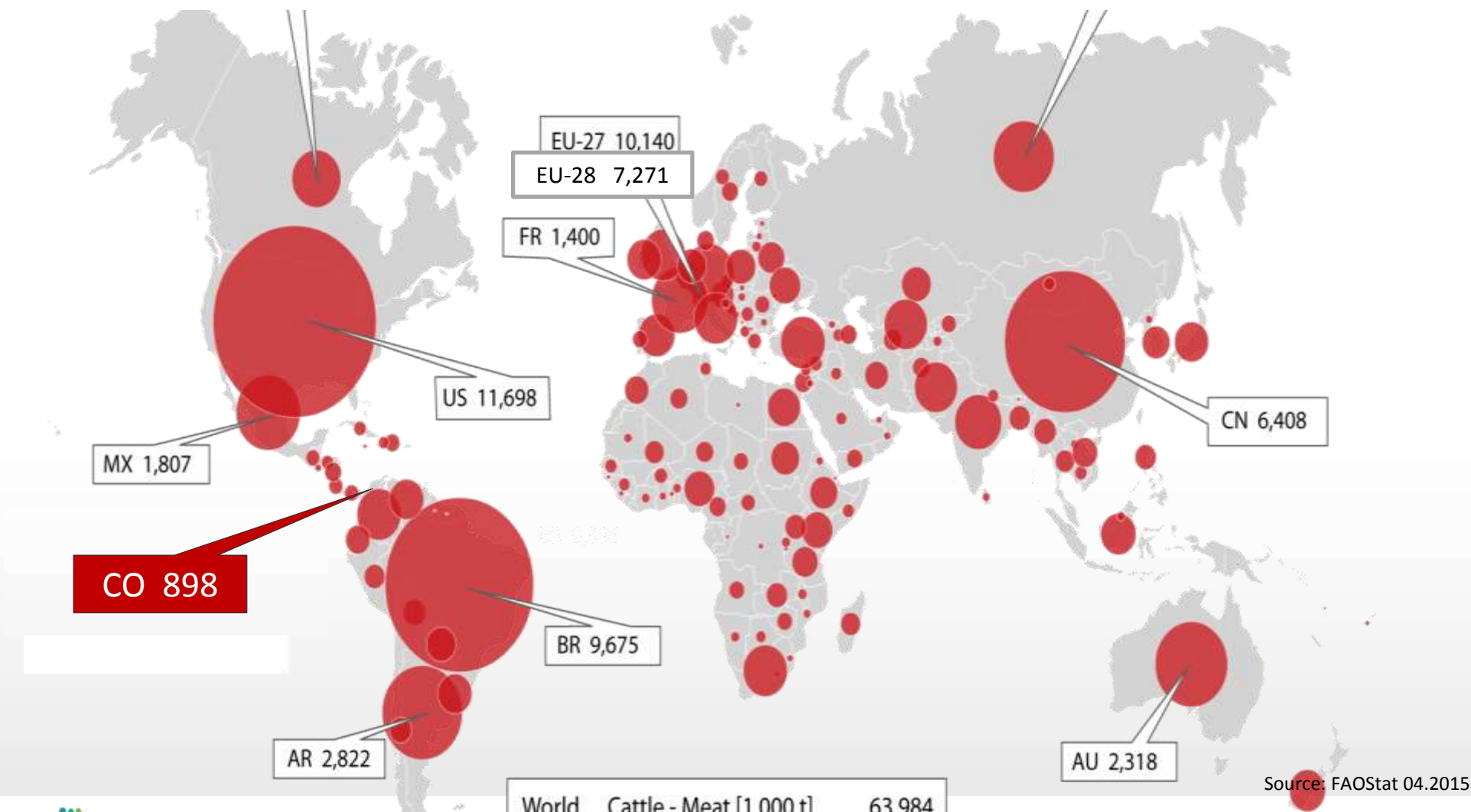
Source: FAOStat 06.2014

# FAO global meat price index

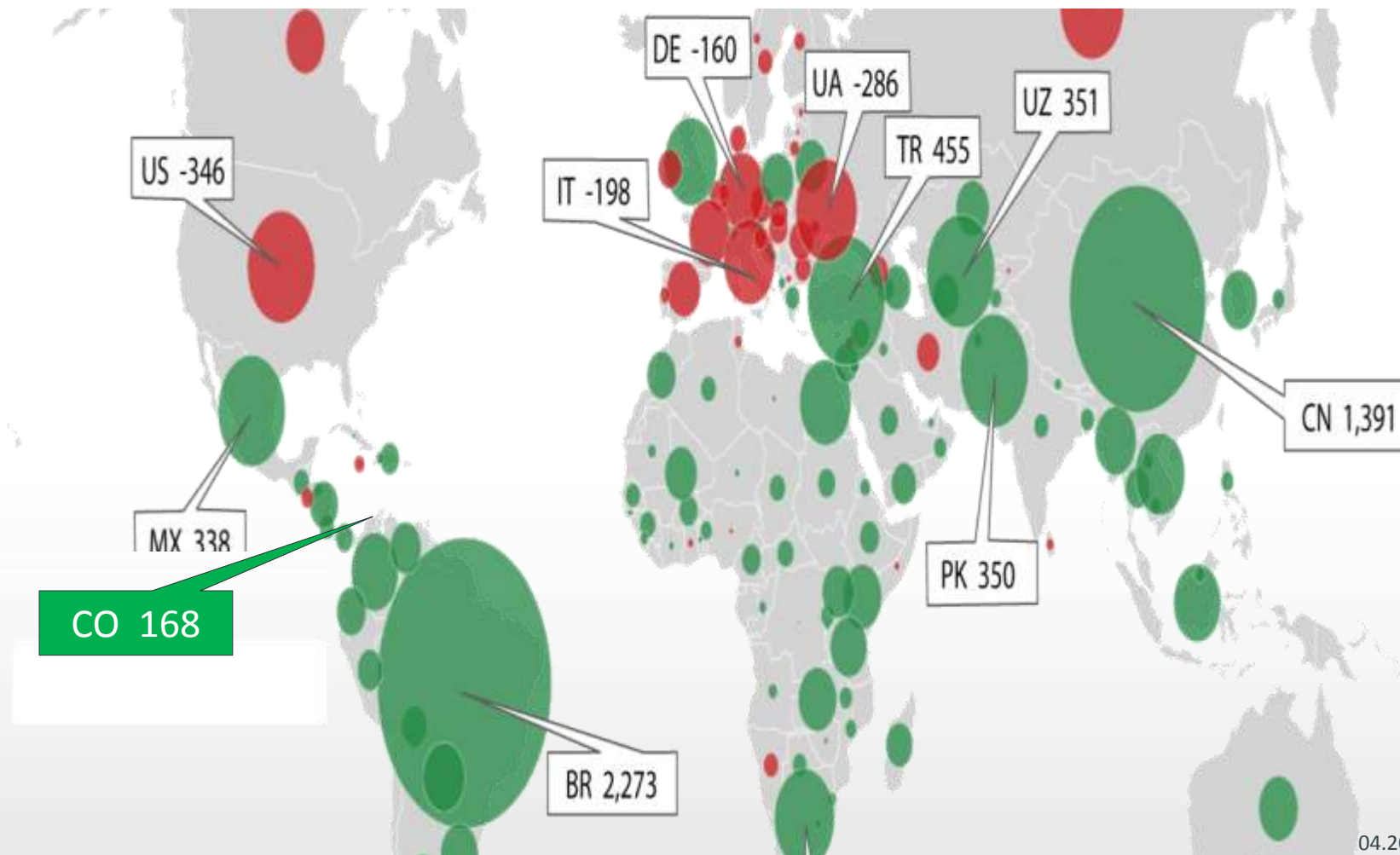
## Index based on USD per ton prices



# Global cattle meat production 2013 ('000 t)



# Change in global cattle meat production ('000 t) 2011-2013 vs. 2001-2003



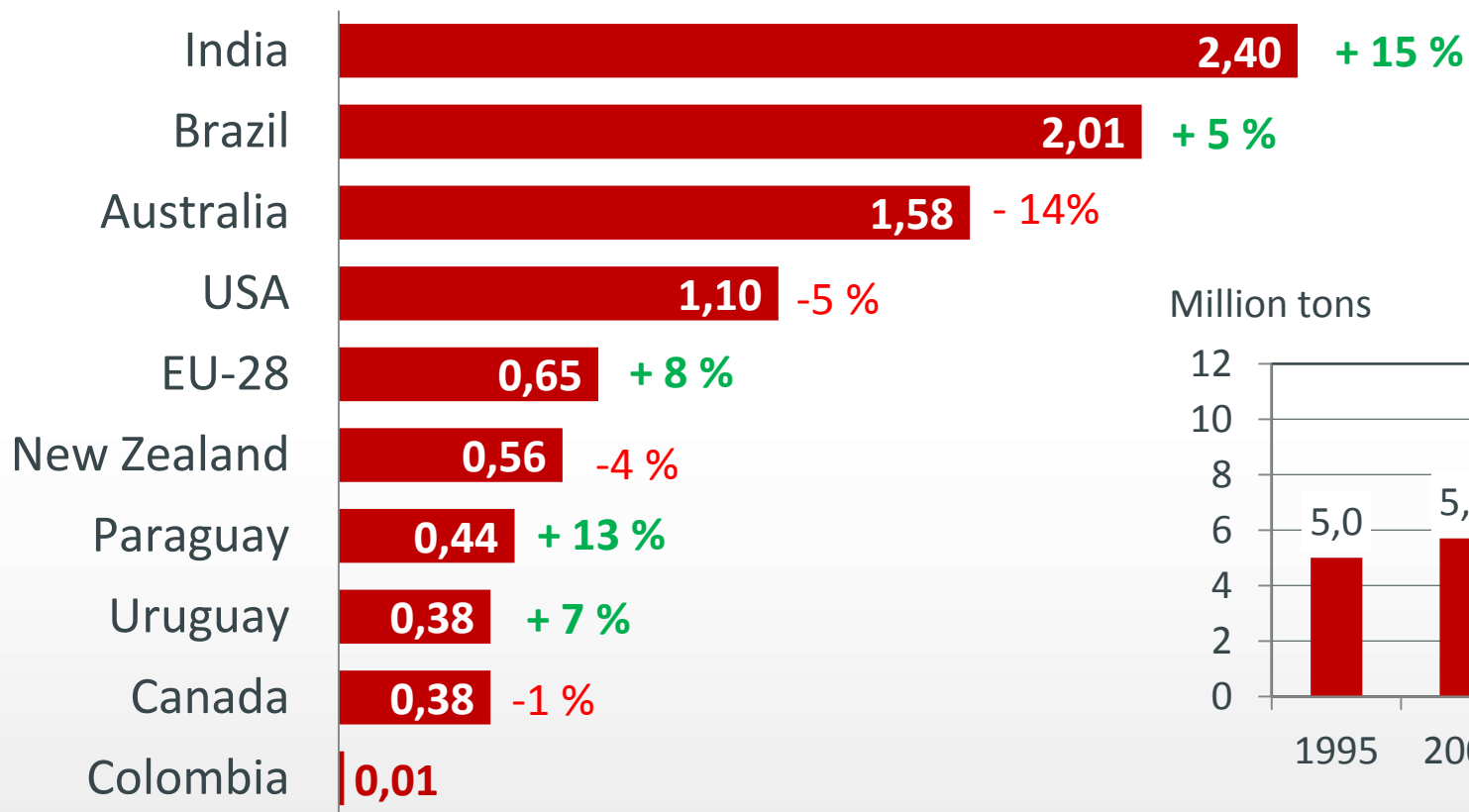
04.2015, own calculations



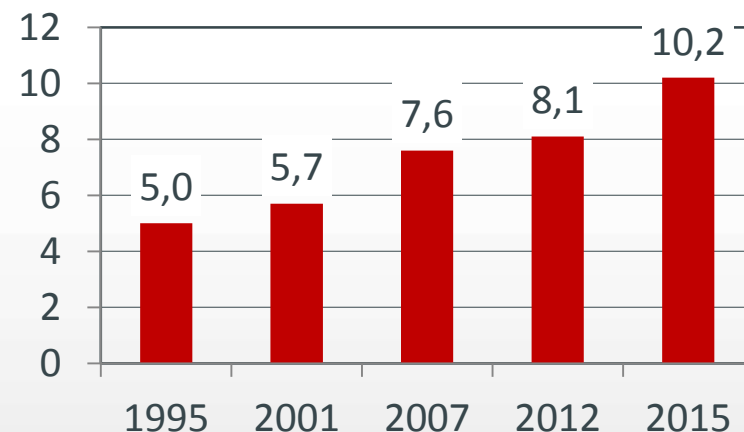
# Global beef exports on record level

**Million tons**

**Forecast 2015 in %**

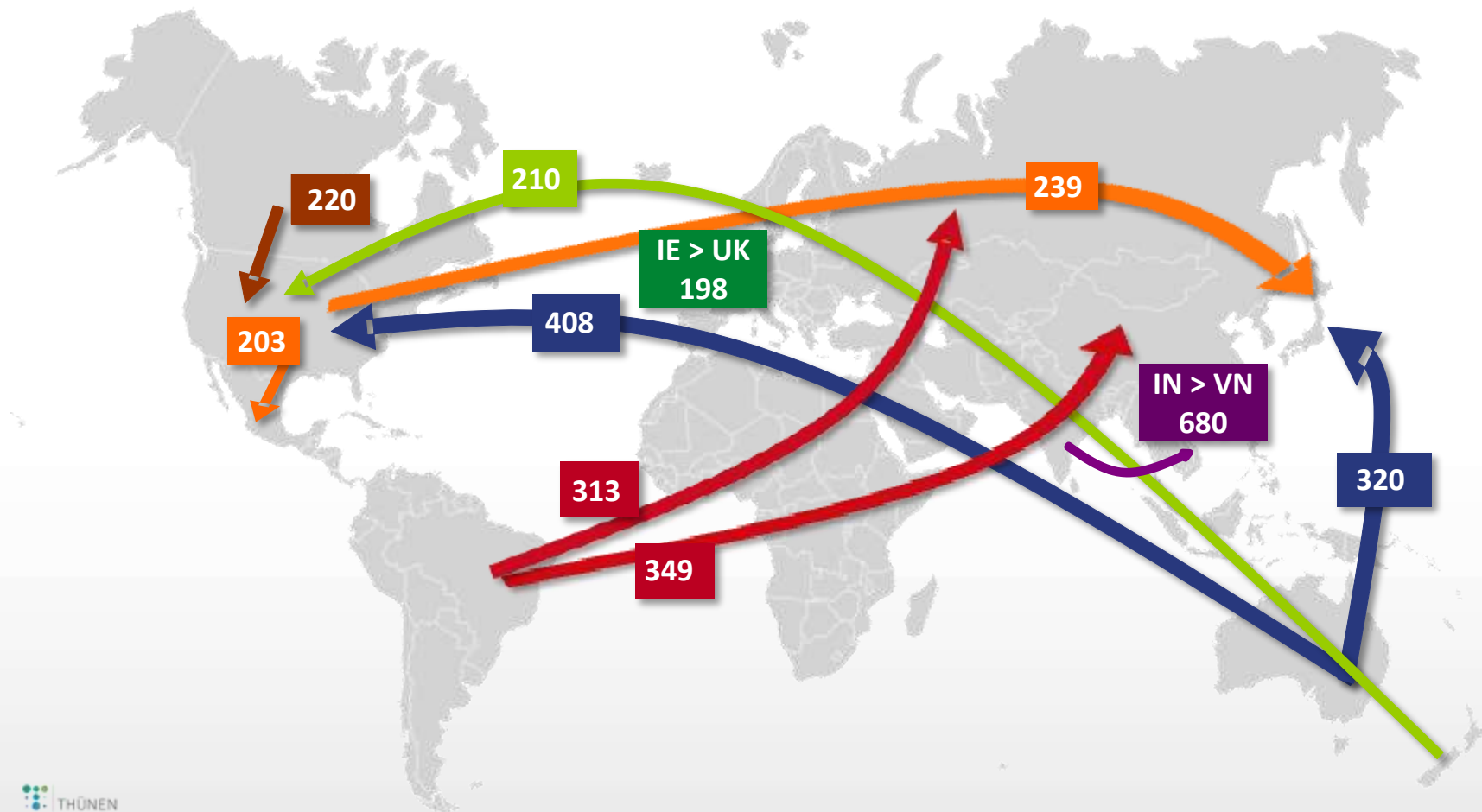


Million tons

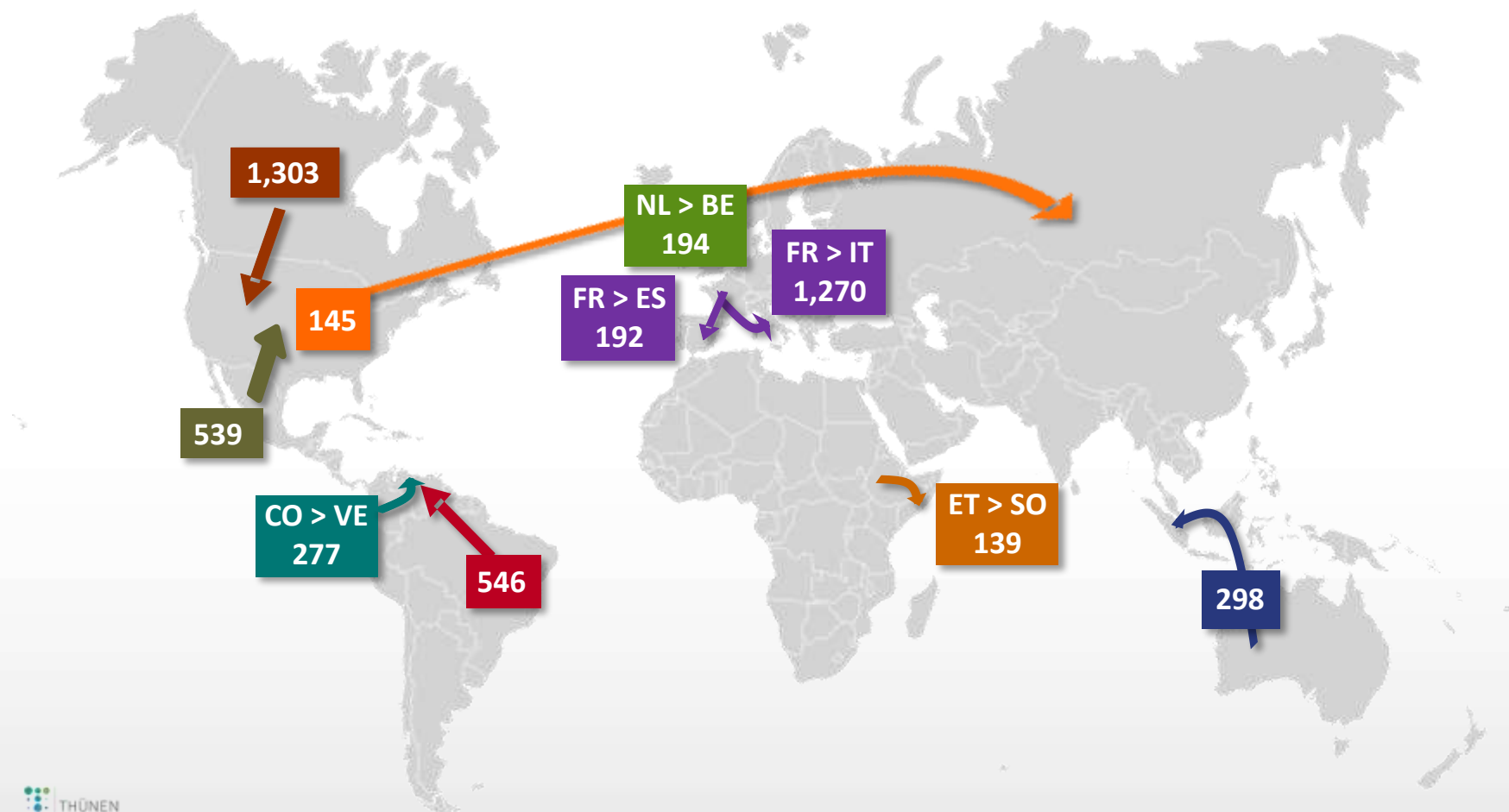


Source: AMI (USDA, EU-COM, National Statistics (17.06.2015))

# Top 10 beef trade flows 2014 ('000 tons)



# Top 10 live cattle trade flows 2013 (million USD)



# Farm level results

## Resultados al nivel de la finca

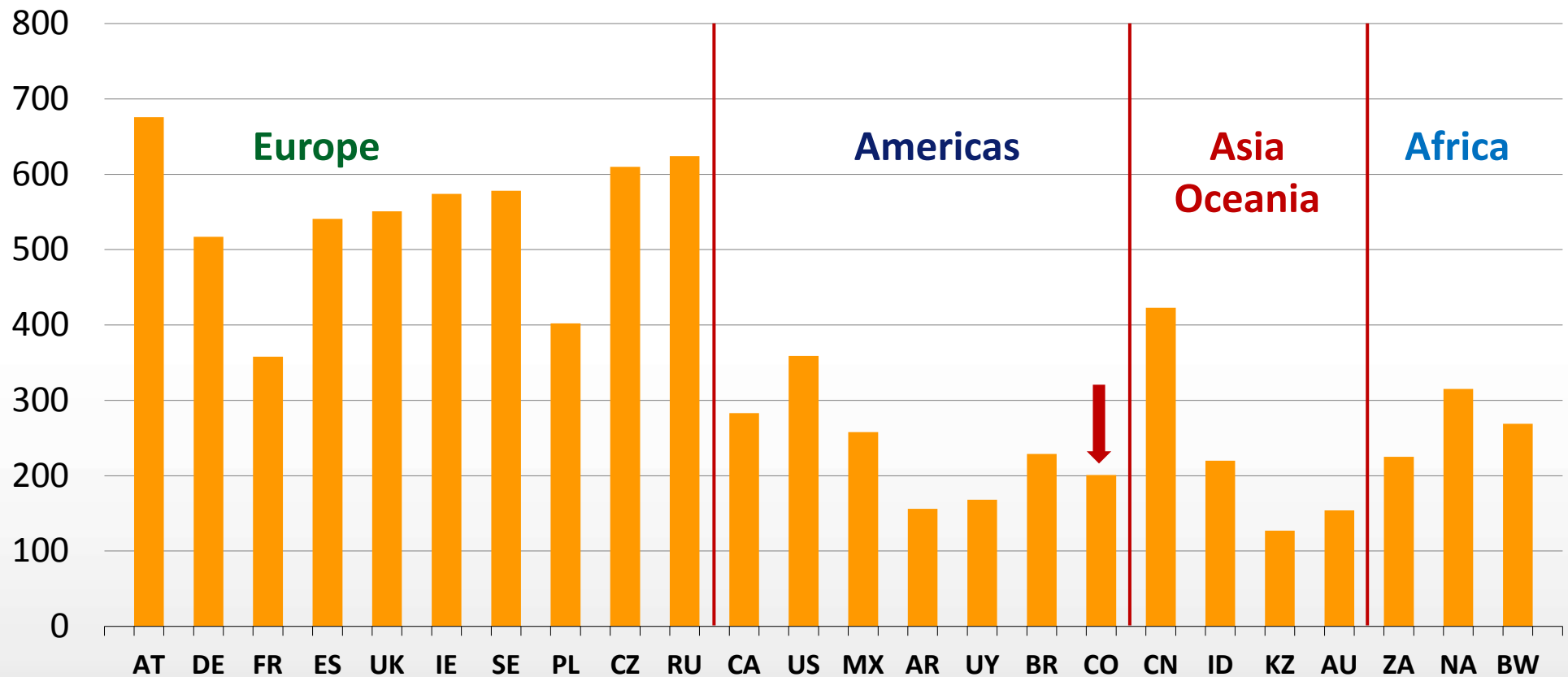




# Cria – cow-calf

## Total costs

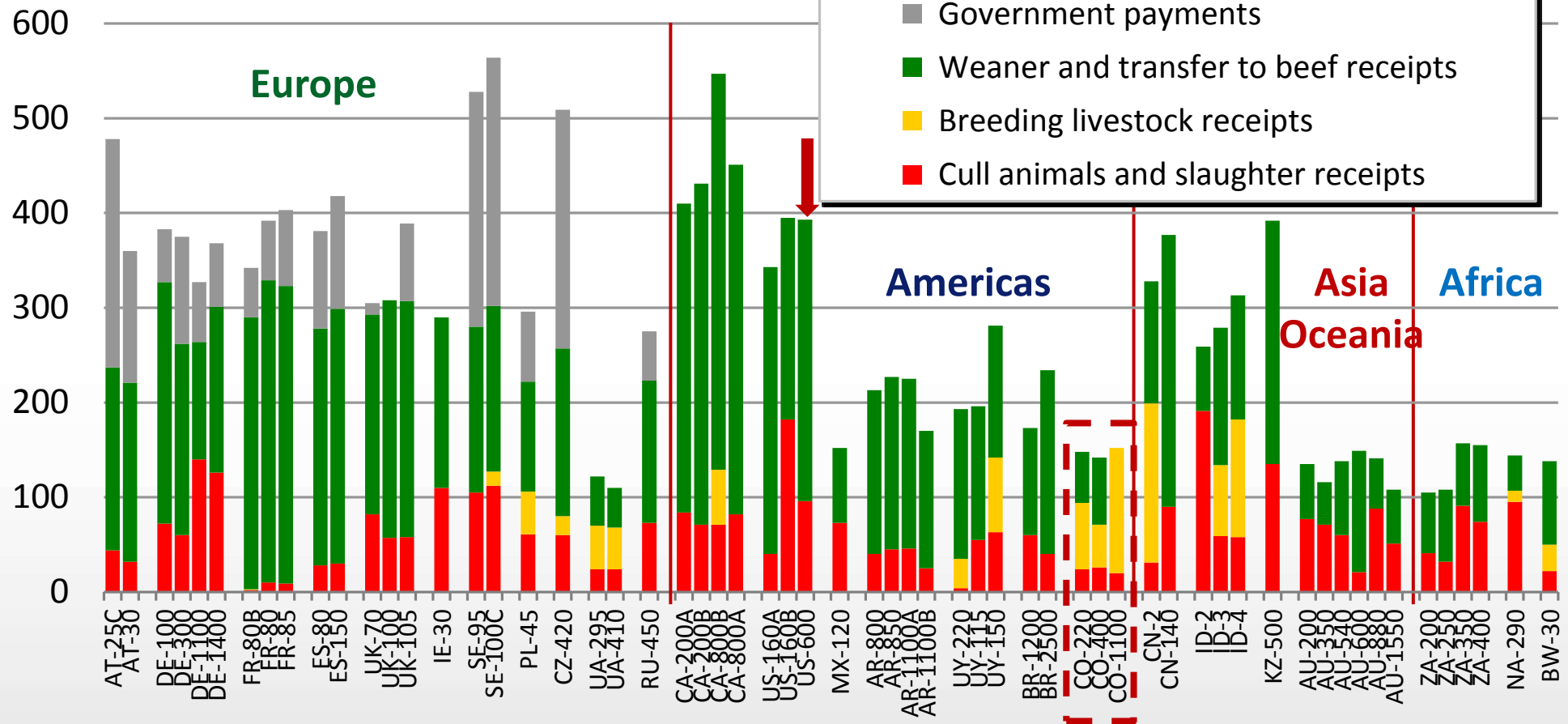
USD per 100 kg live weight



# Cria – cow-calf

## Total returns (market returns + coupled payments)

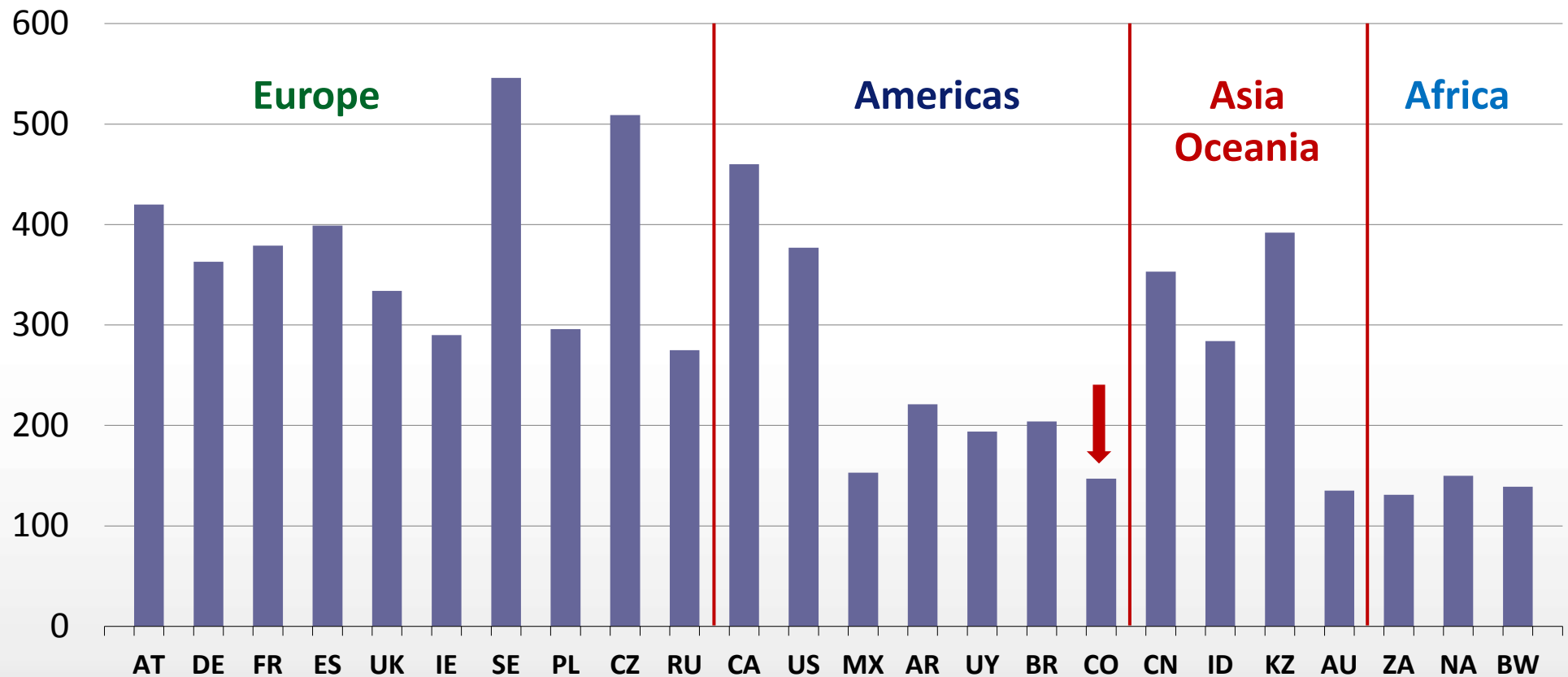
USD per 100 kg live weight



# Cria – cow-calf

## Total returns

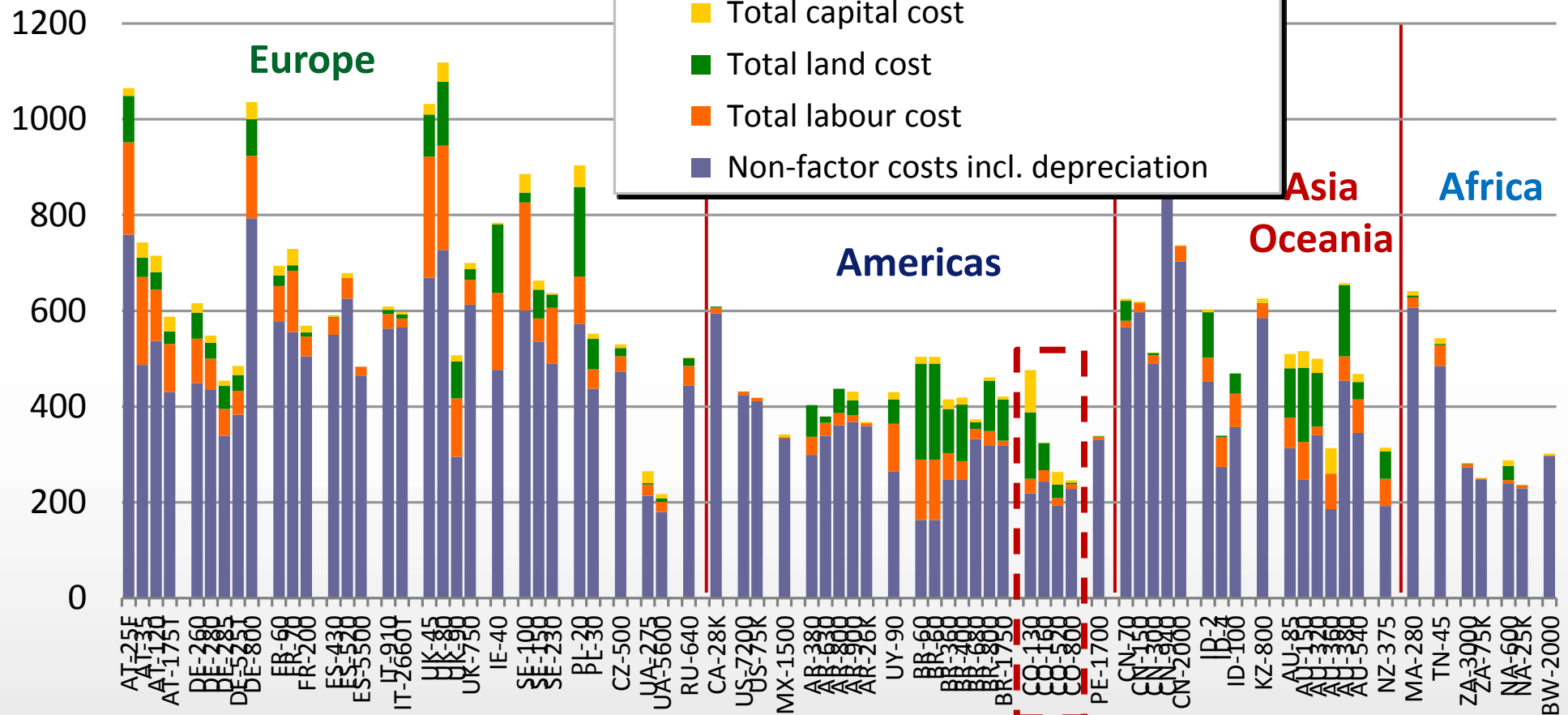
USD per 100 kg live weight



# Ceba – Beef finishing

## Total costs

USD per 100 kg carcass weight

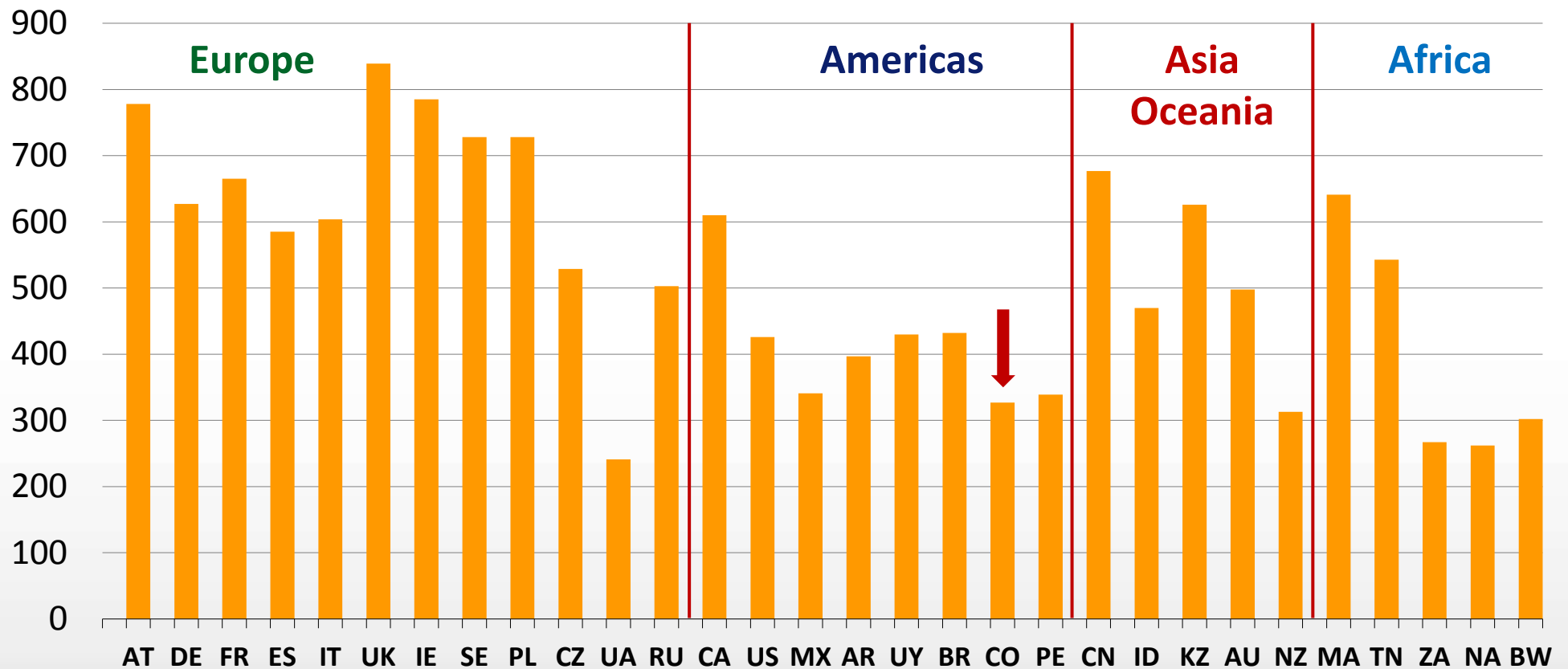




# Ceba – Beef finishing

## Total costs

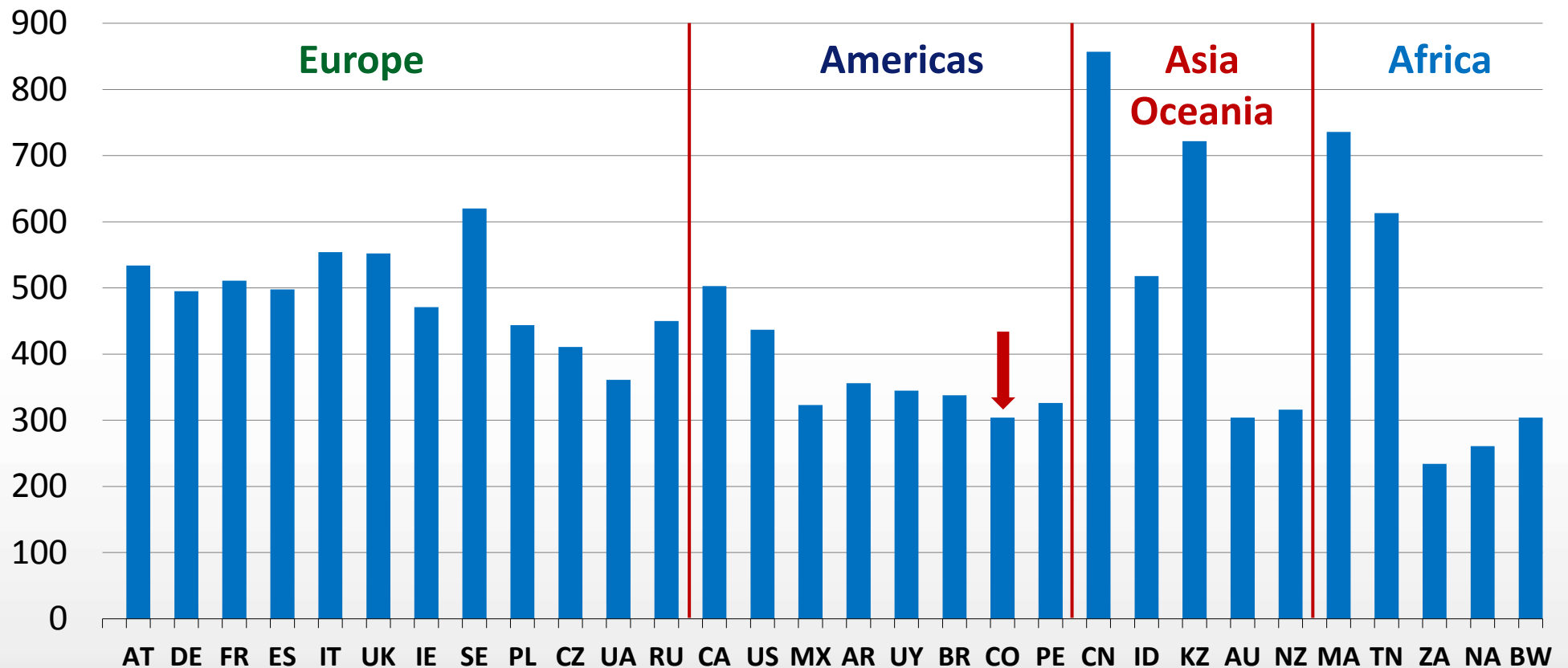
USD per 100 kg carcass weight



# Ceba – Beef finishing

## Total returns

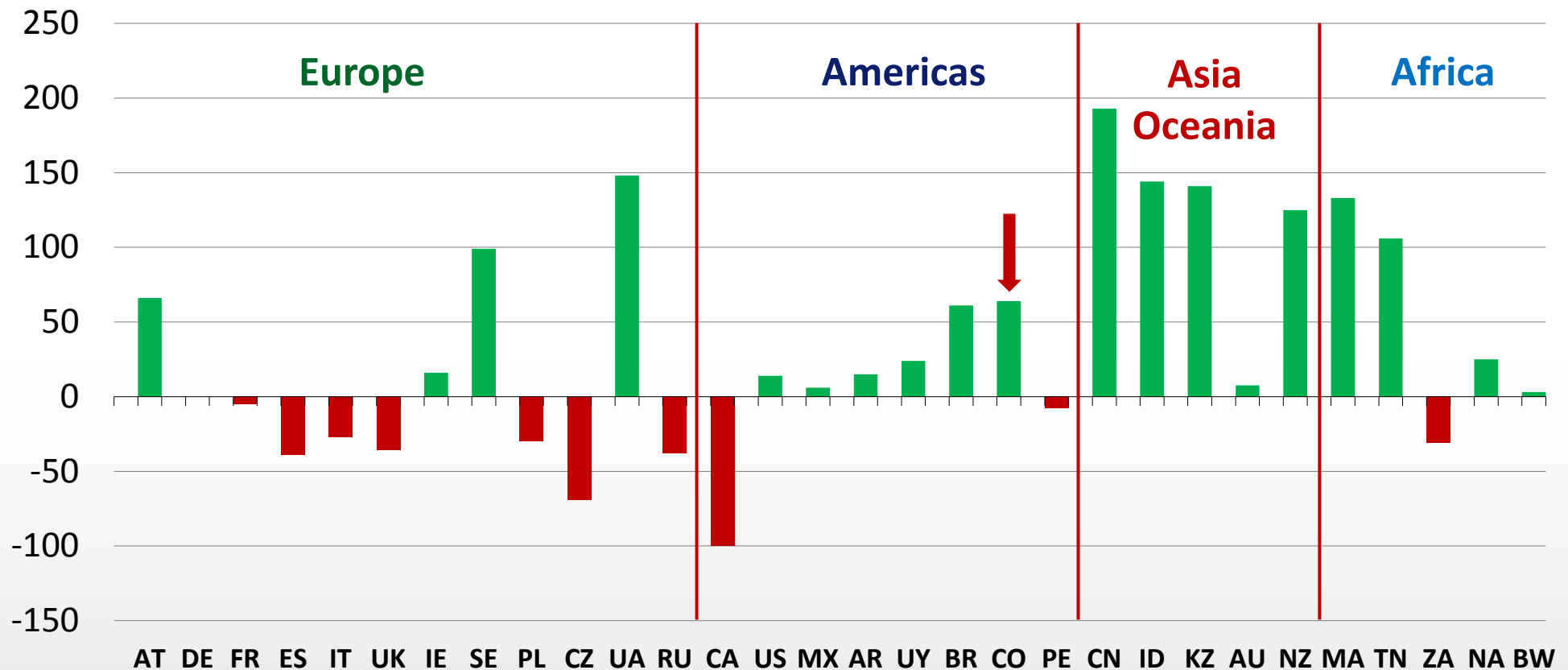
USD per 100 kg carcass weight



# Ceba – Beef finishing

## Margen bruta – „Gross margin“ – Margin over cash costs

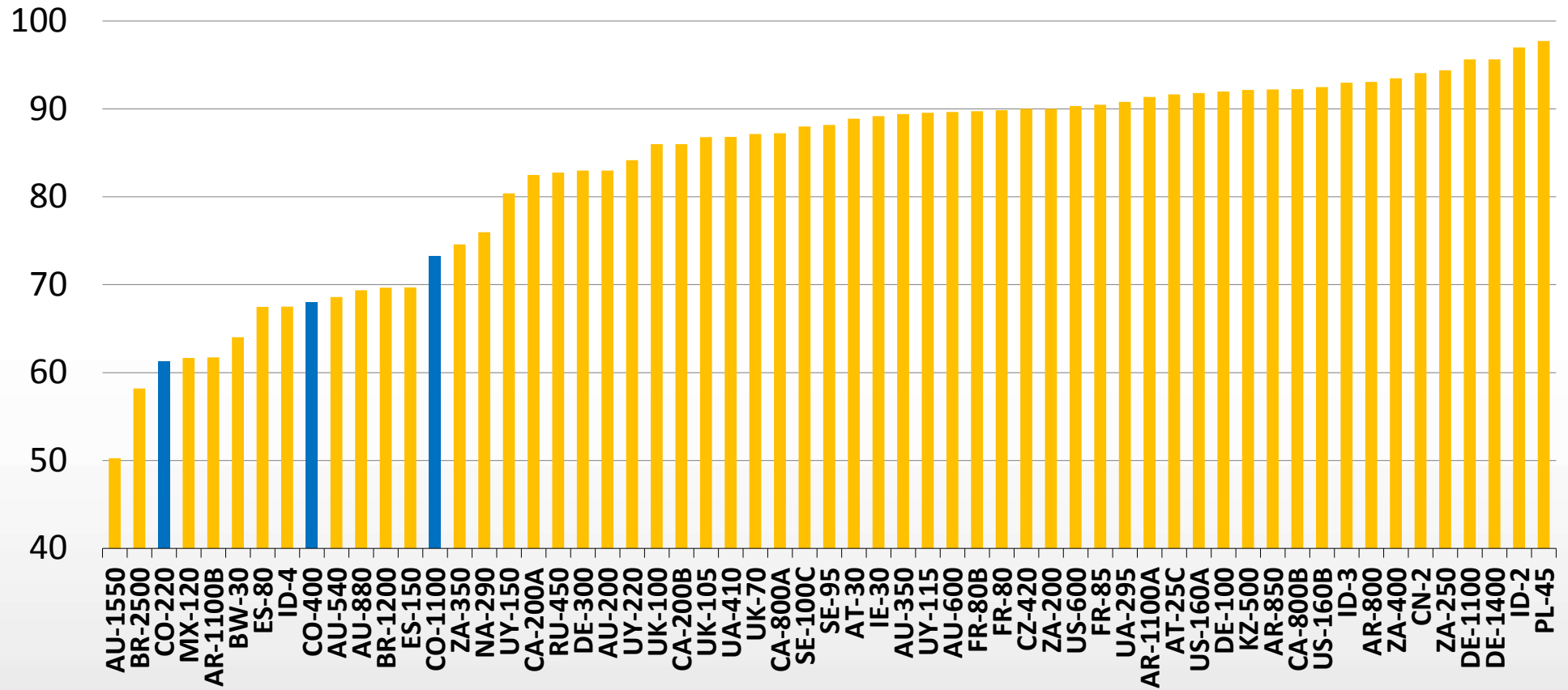
USD per 100 kg carcass weight



# Cria – Cow-calf





## Weaning percentages are low

Percent





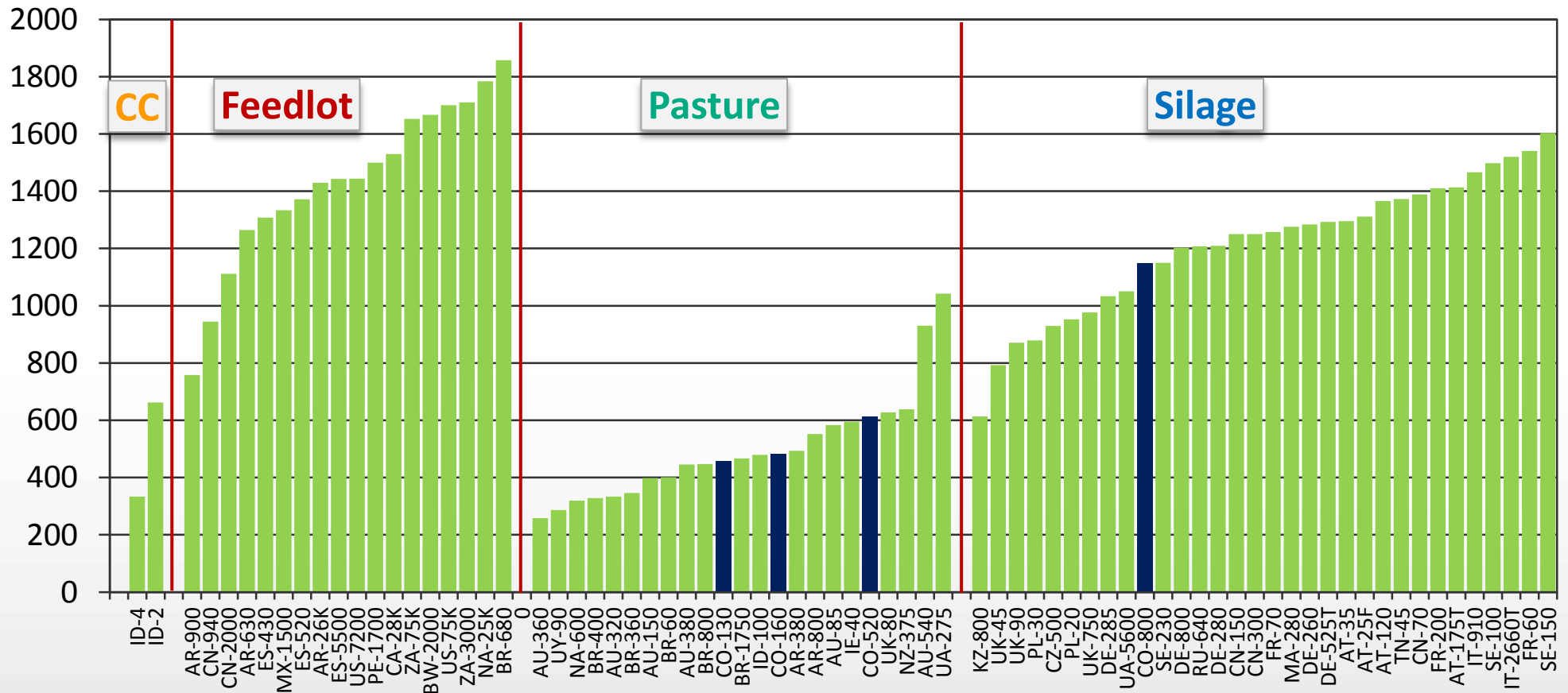
# Production systems of beef finishing

	Feed % in dry matter	Management/ Housing	Extent of purchase feed
 <b>Pasture</b>	<b>&gt; 30 %</b> pasture incl. grazed shrubs in silvo- pastoral systems	Outdoor year round or part of the year	Low
 <b>Silage</b>	<b>&gt; 30 %</b> silage and other forages	Closed or semi- open barns with slatted floors and/or straw bedding	Medium
 <b>Feedlot</b>	<b>&gt; 50 %</b> grains and other energy feed	Open pens, partially with sun-covers	High
 <b>Cut &amp; Carry</b>	<b>&gt; 30 %</b> freshly cut grass & other vegetation	Mix of pens and grazing of paths and paddies	Low

# Ceba – Beef finishing

## Daily weight gains in average of the production system

### Daily weight gain (grams per day)



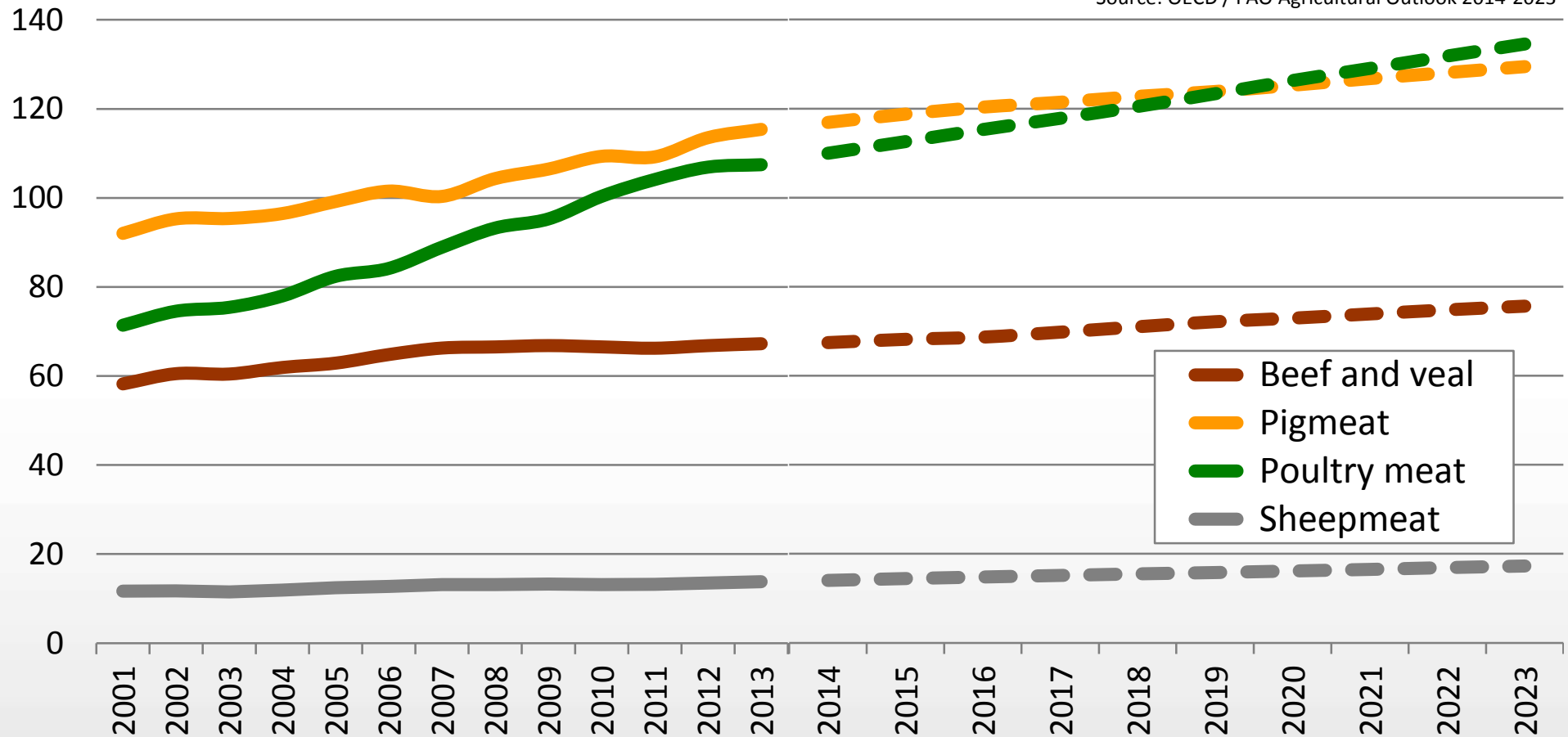
# Perspectives



# OECD / FAO global meat production projections

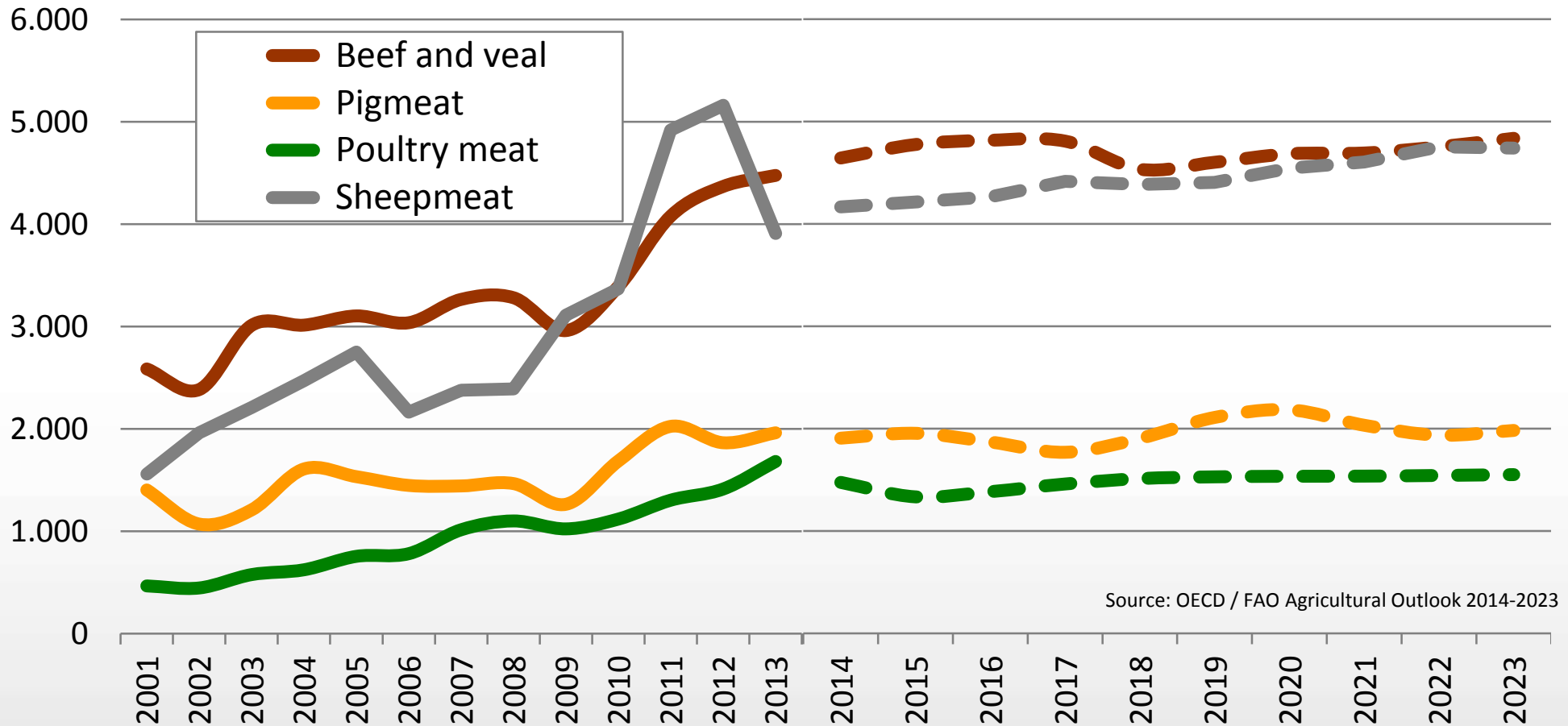
million tonnes

Source: OECD / FAO Agricultural Outlook 2014-2023



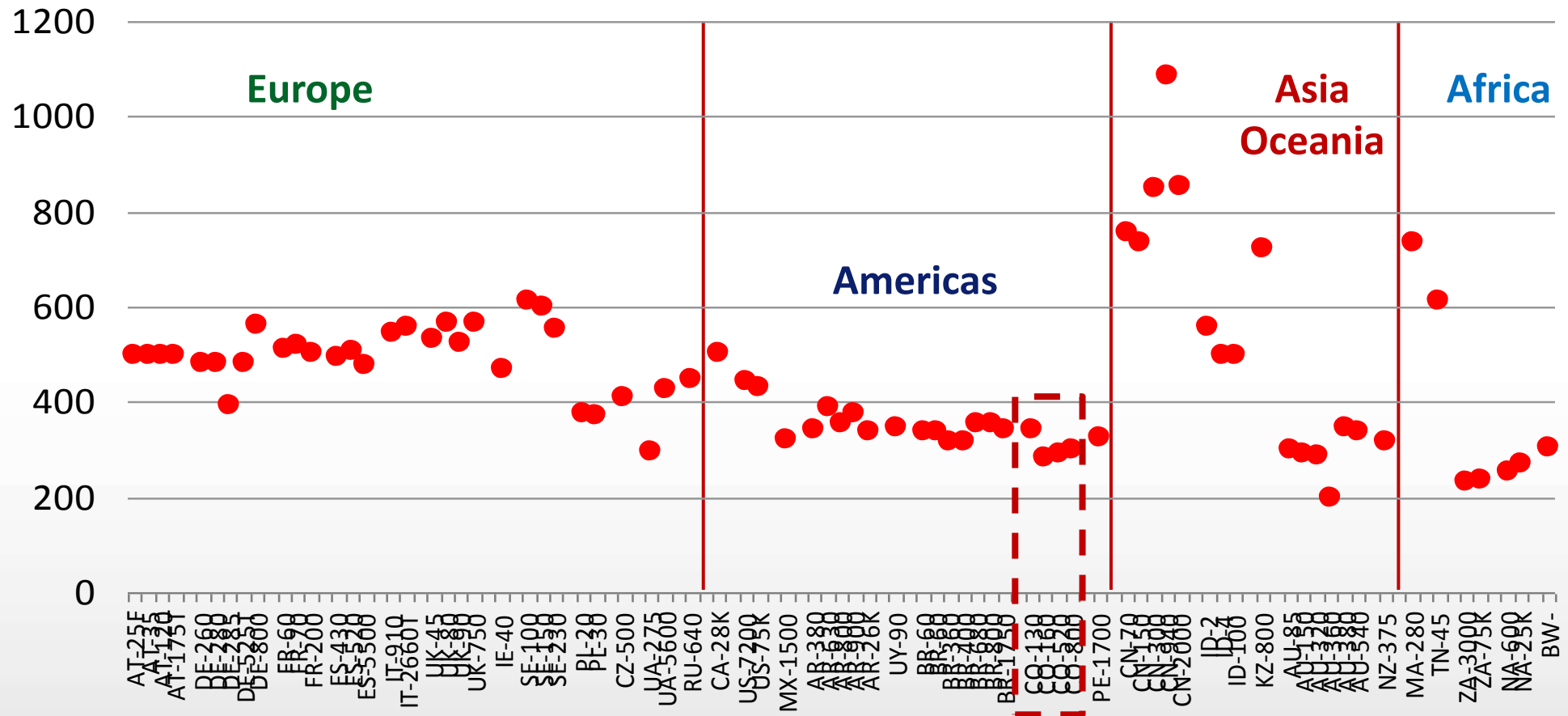
# OECD / FAO expect rising to stable global meat prices

USD per ton



# Beef prices point out potential markets

USD per 100 kg carcass weight

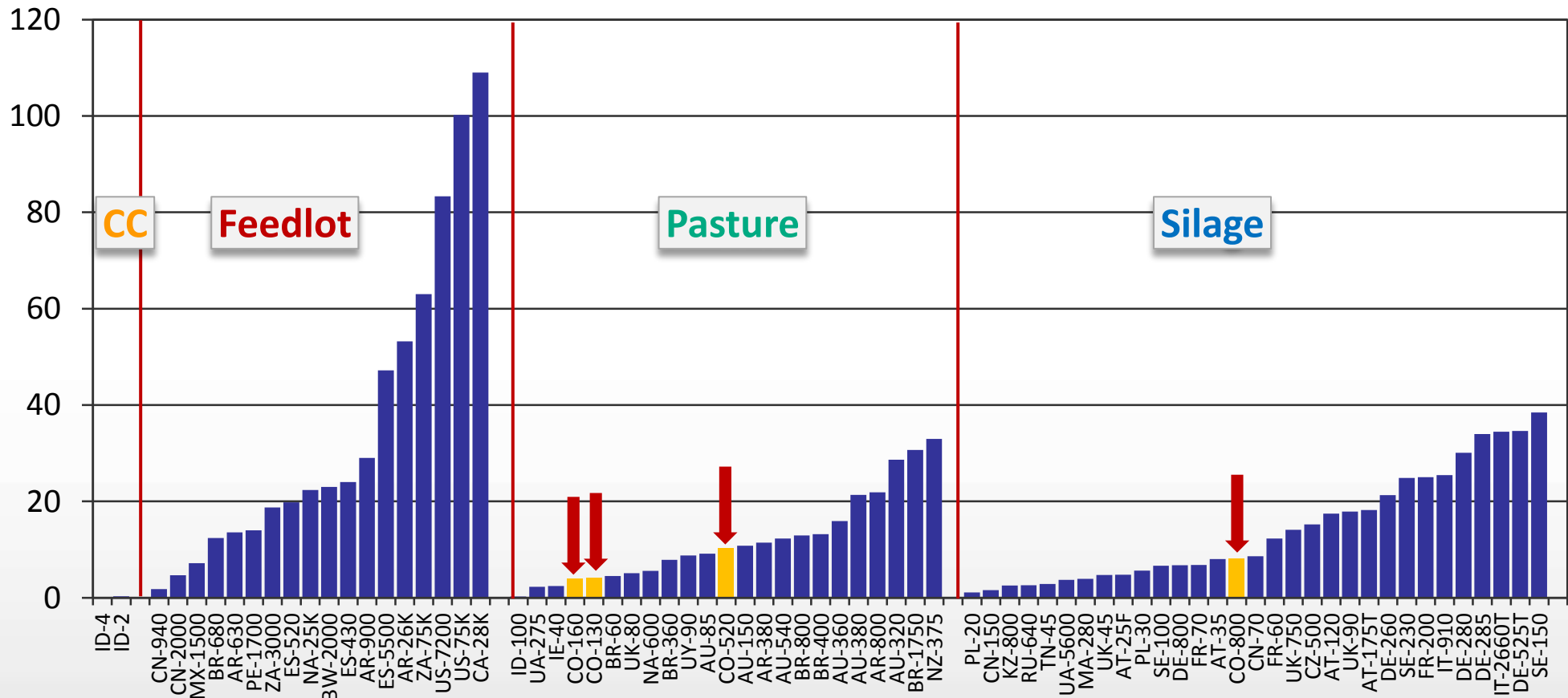




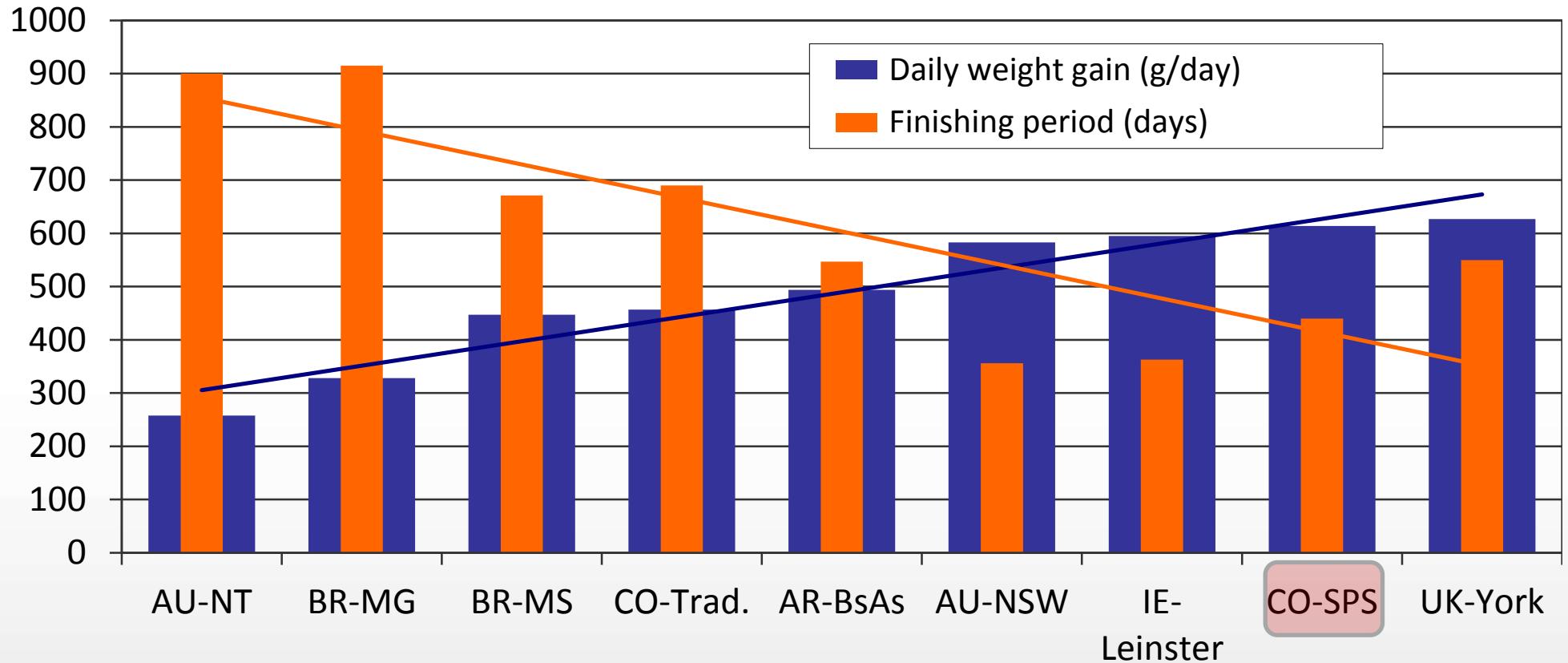
# Ceba – Beef finishing

## Labour productivity has potential of improvement

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



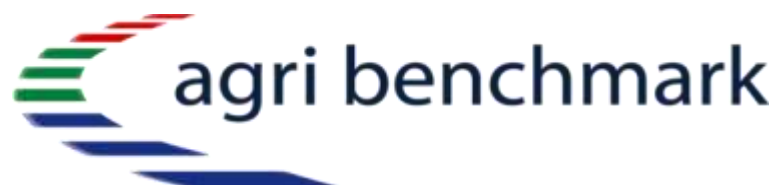
# Increasing performance in the pasture system



# Conclusions

- Overall good prospects for beef production
- Colombia can become an important player on global markets
- Green image (incl. animal welfare) will be a selling point
- Consolidation of production and increase of productivity required
- Inclusion of all players in the supply chain is recommendable

# agri benchmark – passionate about facts



**Dr. Claus Deblitz**

Thünen Institute of Farm Economics  
Bundesallee 50  
38116 Braunschweig, Germany

Tel.:	+49-531-596-5141
Fax:	+49-531-596-5199
E-mail:	<a href="mailto:claus.deblitz@ti.bund.de">claus.deblitz@ti.bund.de</a>
Internet:	<a href="http://www.agribenchmark.org">www.agribenchmark.org</a> <a href="http://www.ti.bund.de/bw">www.ti.bund.de/bw</a>