



# Action plan to strengthen beef production in France

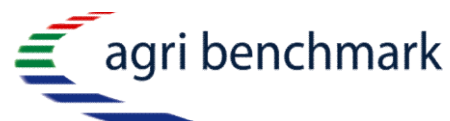
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**16 Juin 2016**

[www.idele.fr](http://www.idele.fr)

Global Forum - Madrid – 16 Juin 2016



# French Beef production evolution

- ▶ leading european beef producer: 1.3 million t cwe
  - ▶ turnover: 7 billion €
  - ▶ Trade balance: + 850 million € (incl.weaners)
  - ▶ 198,000 farmers
  - ▶ cattle numbers: 19 million head (7.8 million cows)
  - ▶ 4.1 million of suckler cows
    - ▶ 53% of total French cows
    - ▶ 1st European herd
- BUT**
- ▶ French beef production decreased by 6% between 2009/2015
  - ▶ Production/consumption : since 2002, France is no longer self-sufficient in tons cwe (but ~ 1 million weaners are exported)
  - ▶ French consumption: -3% in 10 years





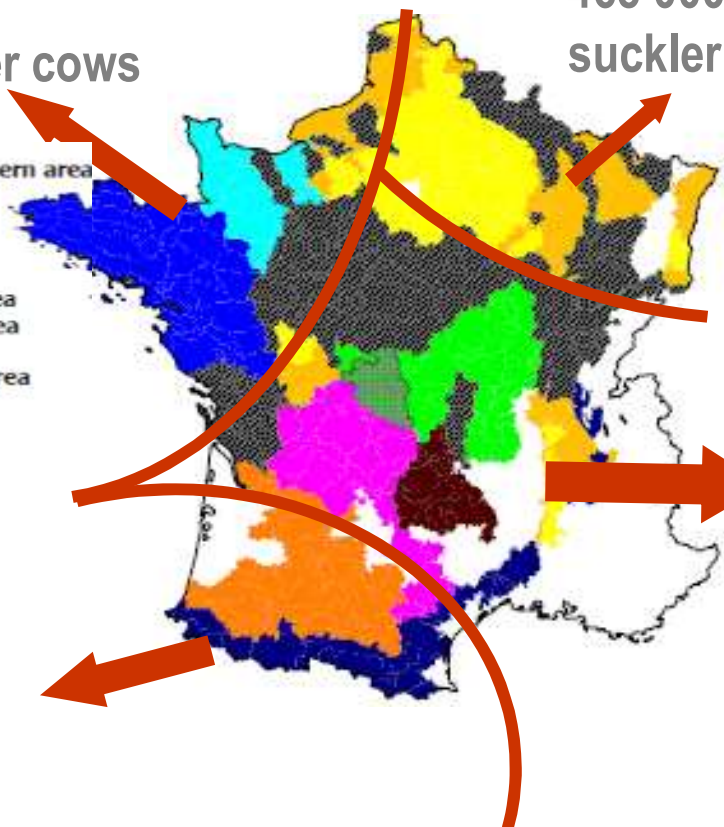
# French Beef-production regions:

West  
980 000 suckler cows

East  
465 000 suckler cows

► Diversity induces regional specialisation  
In term of markets and outlets

- Basse Normandie and western area
- Western area
- Charolaise grassland area
- Limousine grassland area
- Hardy breeds area
- Pyrénées and mountain area
- North-East mixed farms area crops basin
- South-West mixed farms area



South West  
635 000 suckler cows

Charolais (1 005 000)  
Limousin (550 000)  
Hardy breeds (Salers, Aubrac and others) (370 000)  
} Center + South-East  
1 930 000 suckler cows

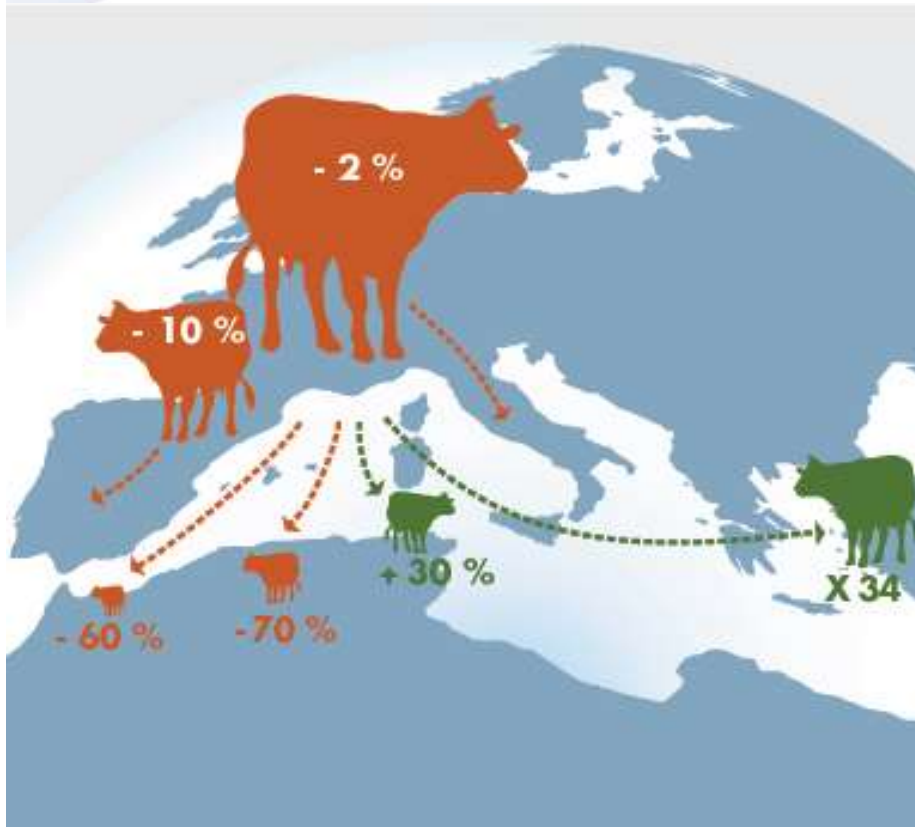




## Weaners exports: main destinations (2015)

### Exports to

- ▶ Italy: 730 000 weaners (70%)
- ▶ Spain: 128 000 weaners (12%)
- ▶ Other European Union states:  
50 000 weaners (5%)
- ▶ Algeria: 6 500 weaners
- ▶ Tunisia: 9 000 weaners
- ▶ Morocco: 1 500 weaners
- ▶ New market: Turkey  
80 000 weaners (8%)



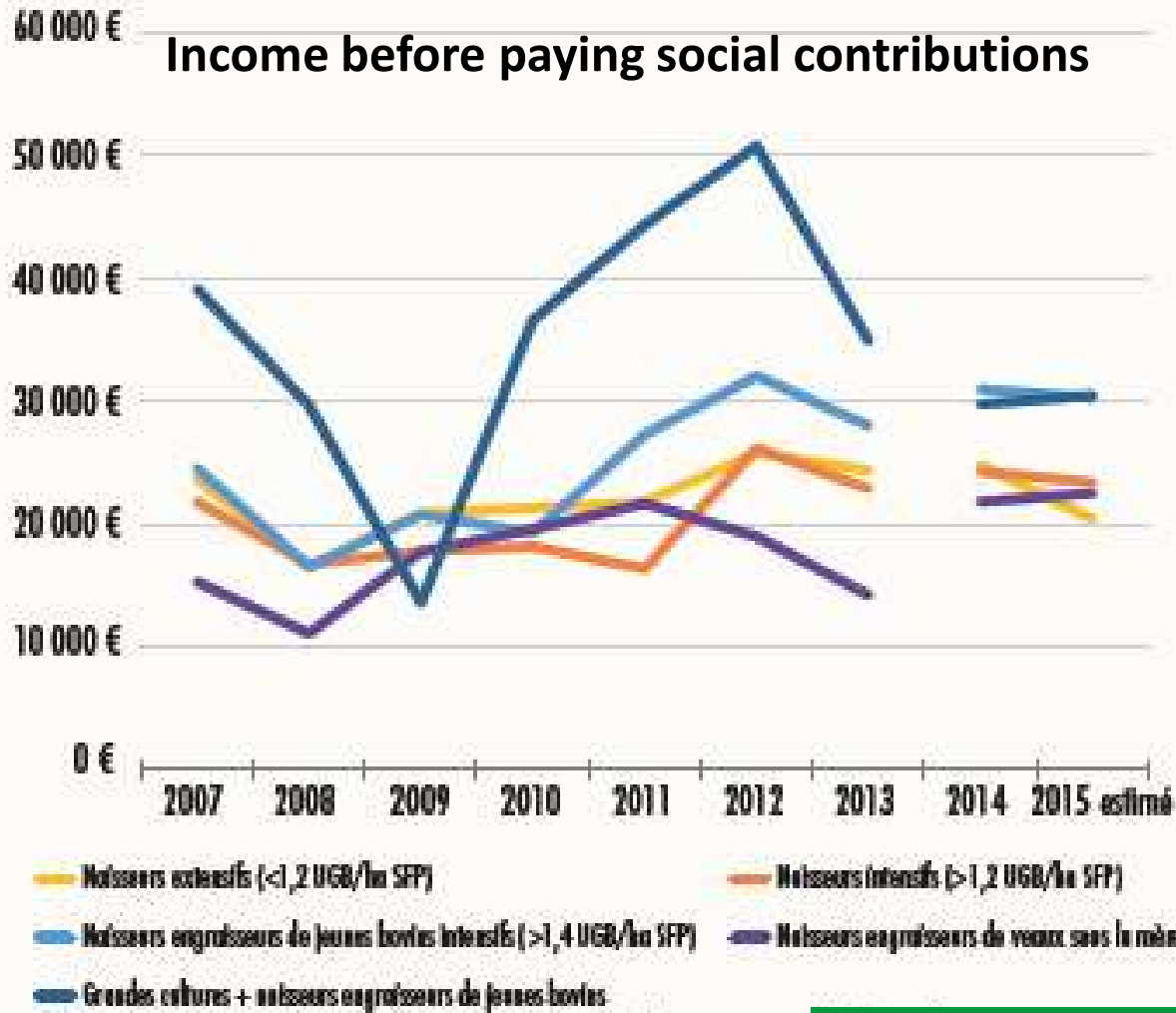
Source : Institut de l'élevage

[www.idele.fr](http://www.idele.fr)





# Evolution of French beef farmers income per labour unit



▶ **Mixed Crops & Beef farms:**

importance of grain selling prices

▶ **Fatteners specialised:**  
~ 30 000 €/labour unit

▶ **Calf producers:**  
~ 20 000 €/labour unit

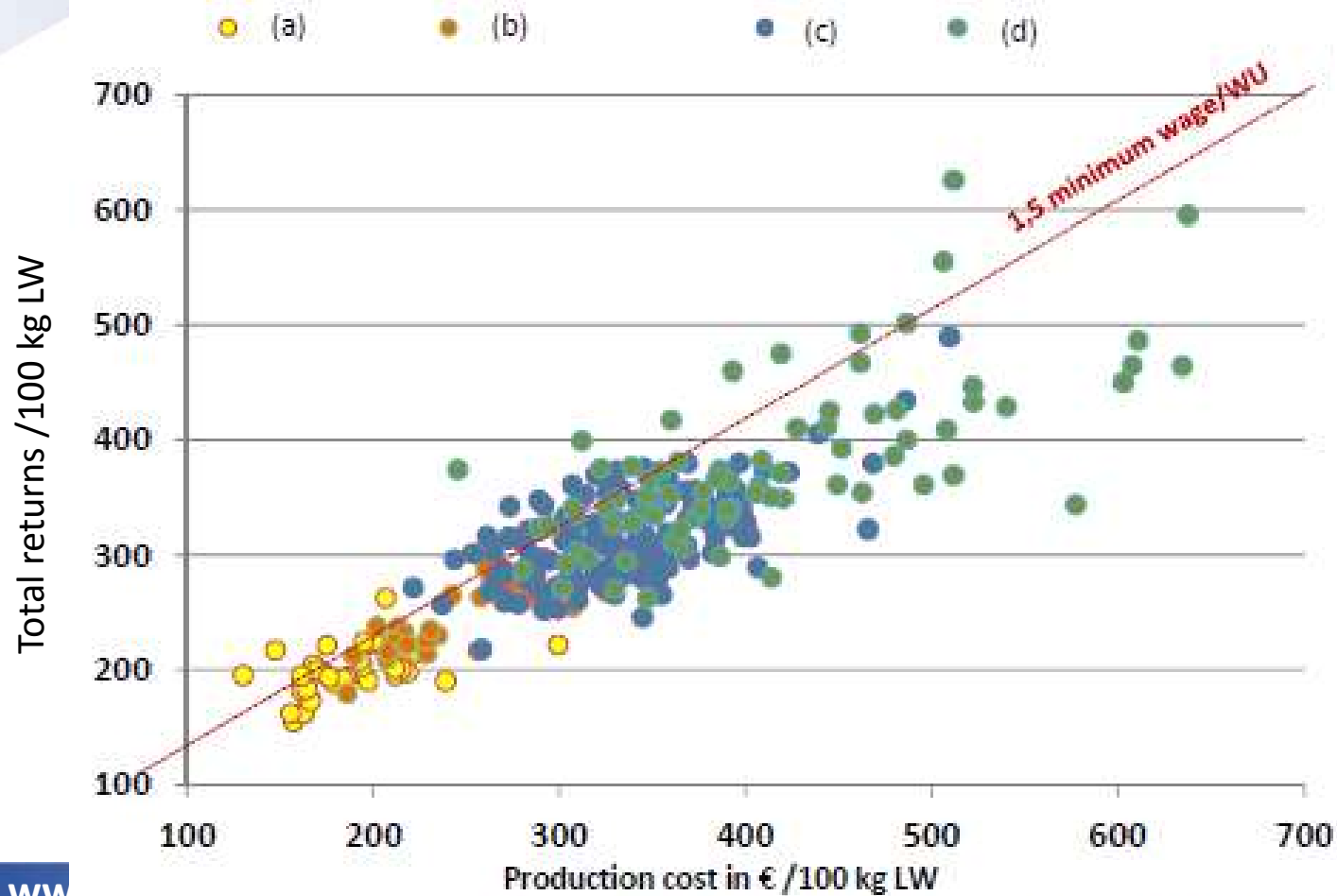
source : 340 farms from our livestock network

Source INOSYS Réseaux d'élevage - traitement Institut de l'élevage





# Costs and returns: huge variability



- Labour productivity: +26% in 10 years
- Totally absorbed by increasing costs
- National minimum legal wage for all kinds of workers

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Minimum wage per month in France :  
1 128,7 € net of taxes - 2014

Source INOSYS Réseaux d'élevage 2013-2013 - traitement Institut de l'élevage





# National plan: 4 axis

▶ for whole beef industry:

farming, slaughtering, processing

**AXIS 1**



Adaptation of production to domestic and international markets

**AXIS 2**



Control production costs  
Improve productivity and farmer income

**AXIS 3**



~~Improve the economic performance of slaughterhouses and food processing industry~~

**AXIS 4**



Maintain production potential



# Production adaptation to domestic market (1/3)

► Transforming suckler farms to fattening in the suckling regions



establishing a support system for the success of the fattening project as :

- technical and financial accompaniment
- equalisation fund
- “win-win” contract between farmers and buyers
- better readability of the market



AXIS 1

Adaptation of production to domestic and international markets

# Adaptation of the production to the domestic market (2/3)

Farmer

X €/animal contract

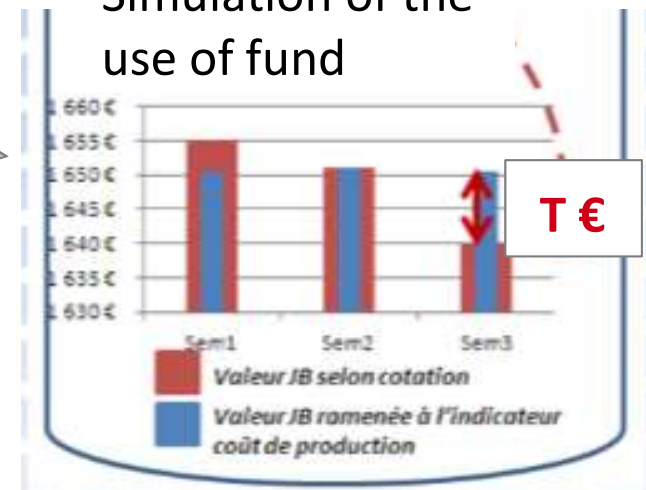
Producers cooperative

Y €/animal contract

Slaughterer  
Z €/animal contract



Simulation of the use of fund





Adaptation of  
production  
to domestic  
and international  
markets

## Adaptation of the production to the international market (3/3)

- ▶ develop export, i.e. to Mediterranean countries export
- 
- ▶ guarantee market access to health, technical services, payment securities...
  - ▶ provide training and know-how to the livestock farmers and the food production industry
  - ▶ develop prospects and promotion

# Control production cost (1/2)

▶ to perform and to be competitive, farmers need to know :

- ▶ Their cost of production
- ▶ their benchmark in order to improve their profit margin

**A tool for all livestock productions**



**Same methods as international ones**



**Can be used by all advisers**

Chamber of agriculture, farm management, producer cooperative

Control production costs  
Improve productivity and farmer income

# Control production cost (2/2)

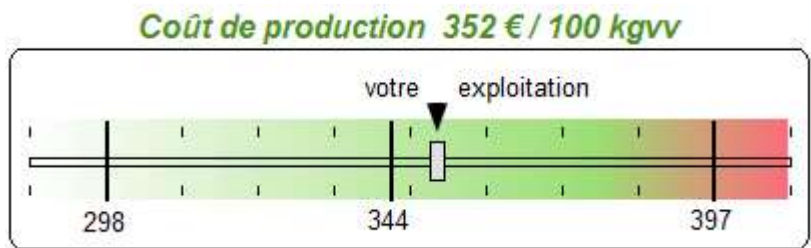
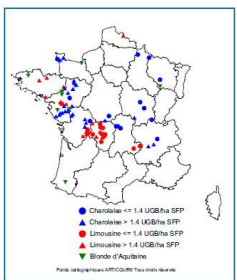
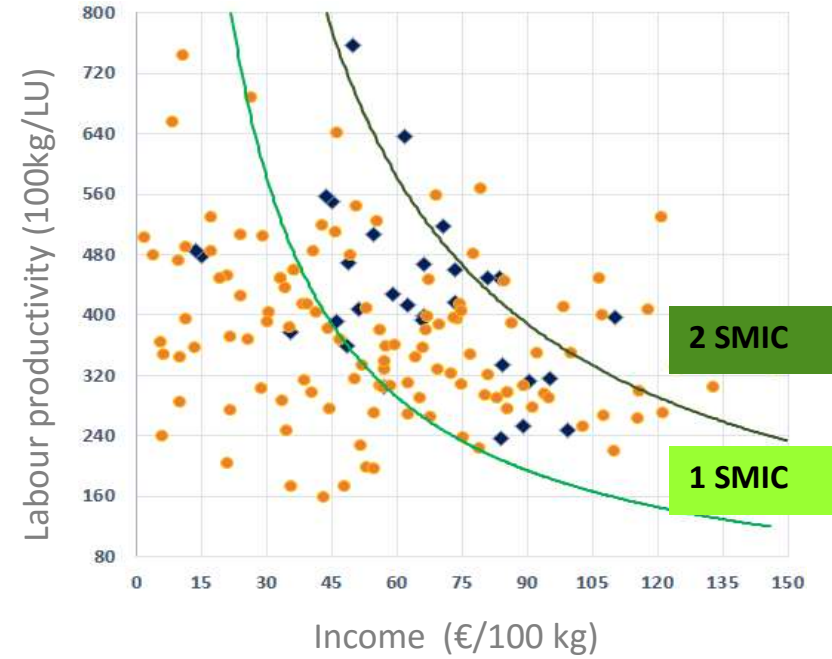
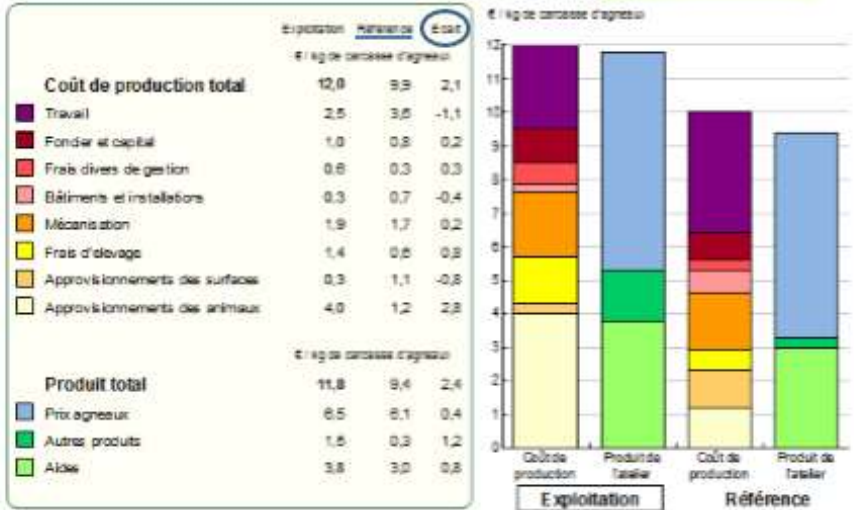
Manage his own production cost and his global average selling price



Exchanges between groups members: analysis, bring solution and plan

Coût de production de l'atelier Ovins viande  
Résultats avec conventions nationales - Exploite du 01/01/2011 au 31/12/2011

Productivité	Exploitation	Référence	Ecart
Production équivalente d'agneau (kgc)	18 900	18 732	7 921
Main-d'œuvre à rémunérer (UMO)	2,00	1,53	0,47
Productivité main-d'œuvre (kgc/UMO)	9 332	7 015	2 317



Compare each cost to other farms to find weak points





## Maintain production potential (1/7)

- ▶ **stabilise national suckler cows herd**
  - ▶ sustain suckler-cow premium at a sufficient level  
(in blue box as specified in the agri WTO agreement)
- ▶ **renew farms**
  - ▶ maintain a strong installation policy
  - ▶ make the beef farmer profession attractive



## Maintain production potential (2/7)

- ▶ meat consumption down due :
  - decline of purchasing power
  - changes in the way of living (more urban...)
  - rise of anti-meat (or even antispecist) associations

### THAT 'S WHY

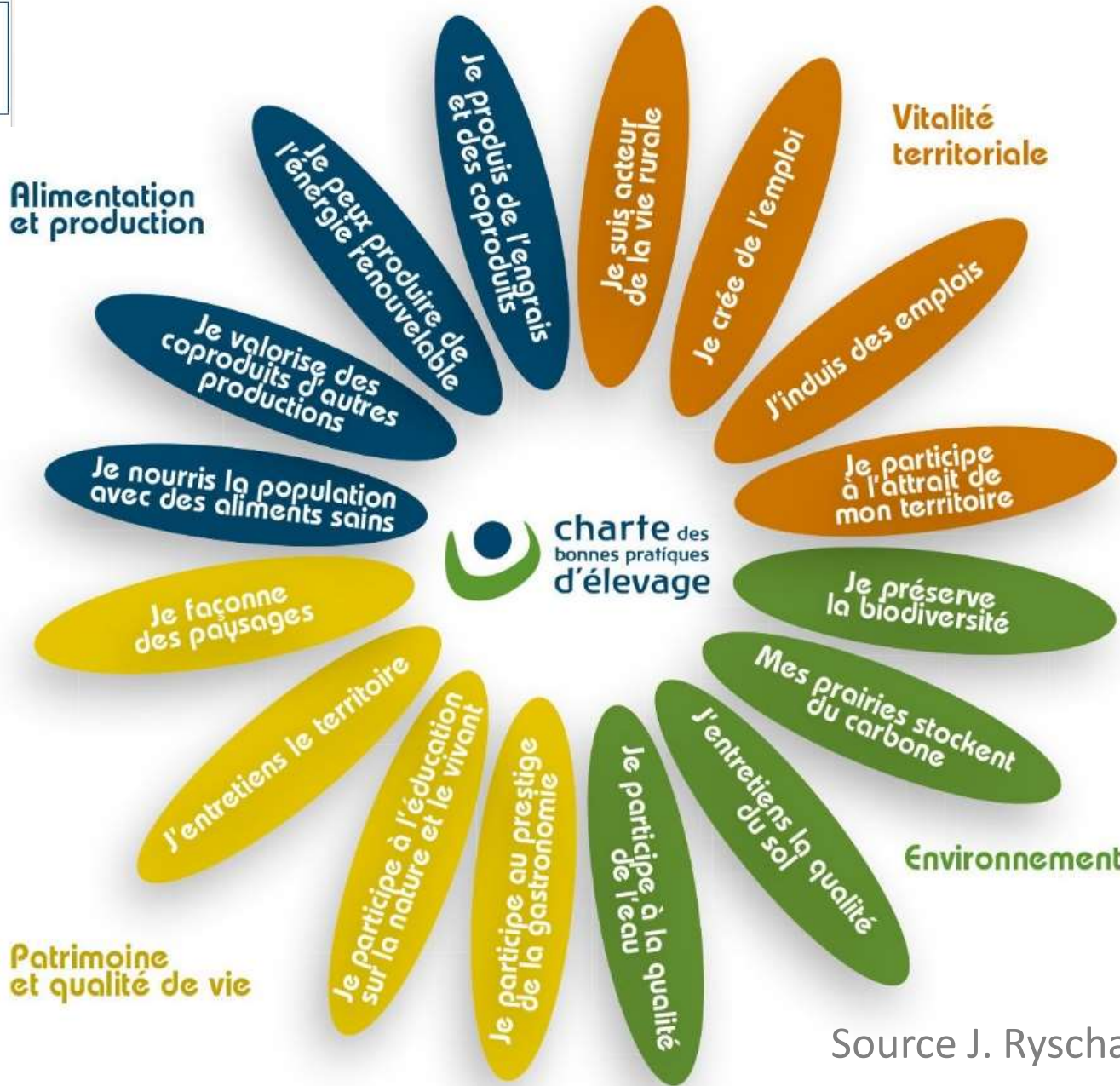
- ▶ Consumers must know and not forget about all services provided by livestock farming in France

AXIS 4



Maintain  
Production  
potential

# Une diversité de services pour la société



www.

Patrimoine  
et qualité de vie

Source J. Ryschawy



# ALIMENTATION ET PRODUCTION

*Je nourris la population avec des aliments sains*

*Je valorise des coproduits d'autres productions*

*J'économise, voire je peux produire de l'énergie renouvelable*

*Je produis de l'engrais et des coproduits*

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# VITALITÉ TERRITORIALE

*Je suis acteur de la vie rurale*

*Je crée de l'emploi et j'en induis*

*Je participe à l'attrait de mon territoire*



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# ENVIRONNEMENT

*Je préserve la biodiversité*

*Mes prairies stockent du carbone*

*J'entretiens la qualité du sol*

*Je participe à la qualité de l'eau*



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# PATRIMOINE ET QUALITÉ DE VIE

***Je participe au prestige de la gastronomie française***

***Je participe à l'éducation sur la nature et le vivant***

***J'entretiens le territoire***

***Je façonne des paysages***



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**Merci pour votre attention**

**Thank you for your attention**

**Gracias por su atención**

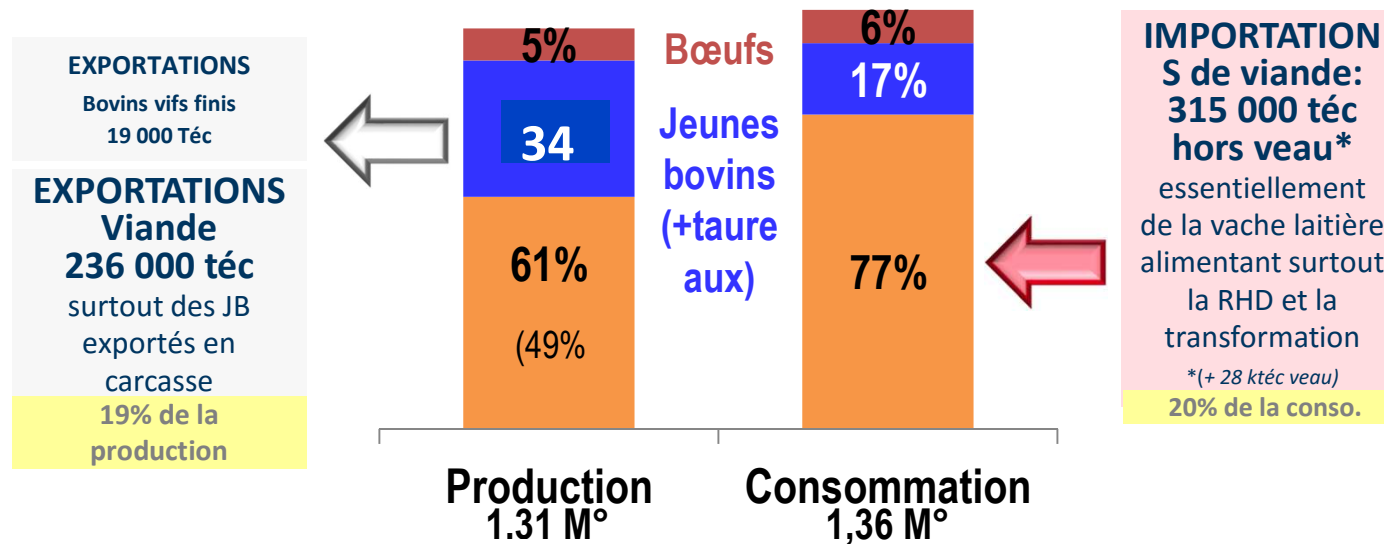
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# Viande bovine en France

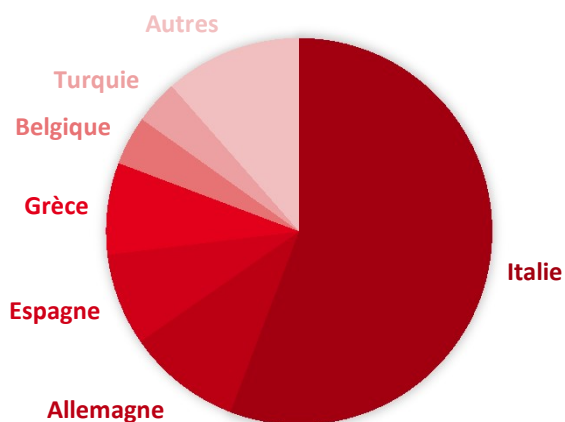
## Un décalage structurel entre offre et demande



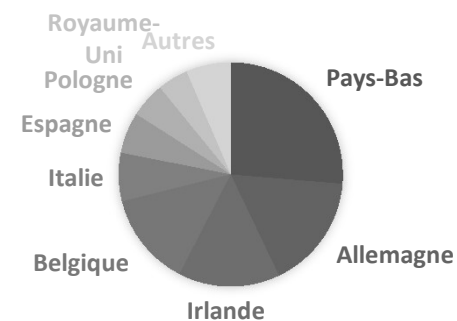
# Viande bovine & broutards: un solde commercial positif en France

Mais une dépendance vis-à-vis de seulement 4 clients

EXPORTATIONS 2015 : 2,27 MILLIARDS €



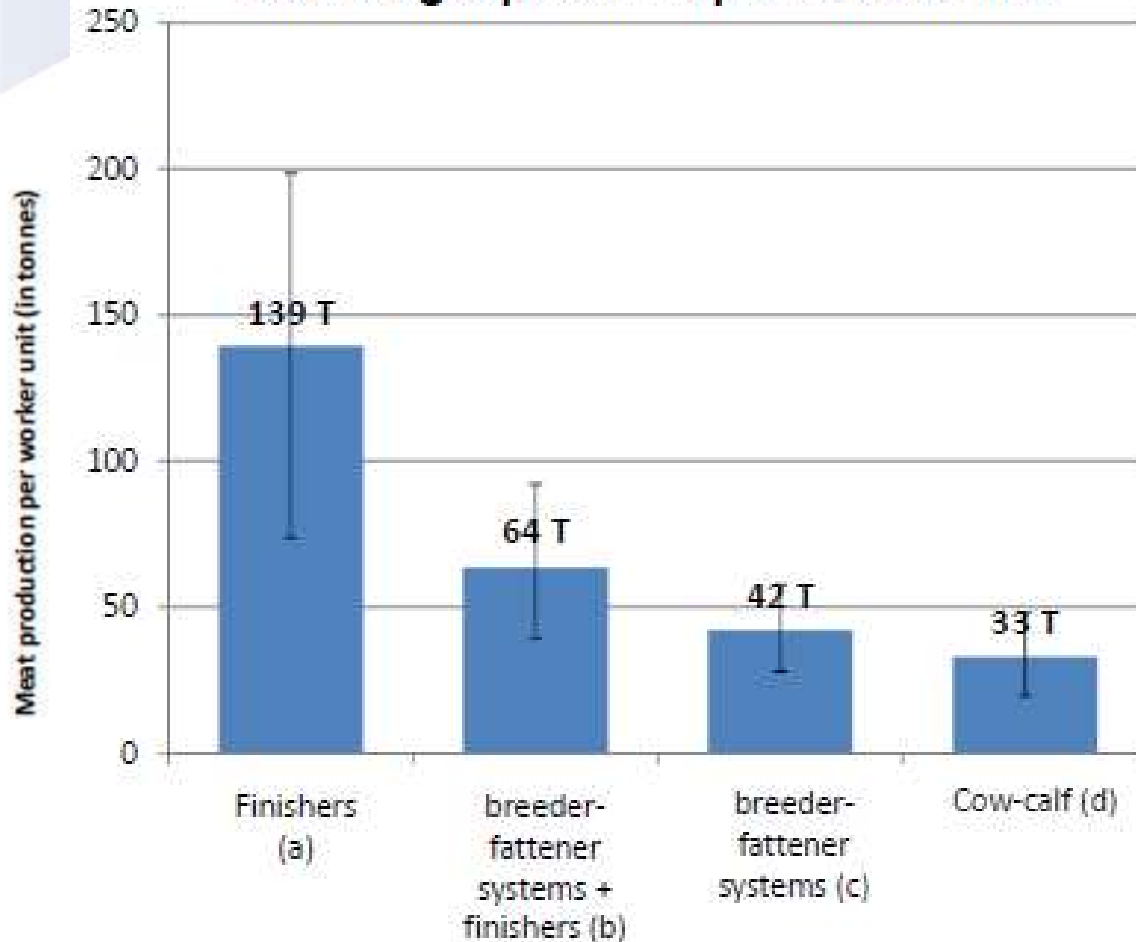
IMPORTATIONS 2015 : 1,42 MILLIARD €





# Variability of labour productivity

Live weight produced per worker unit



► Wide dispersion  
In productivity

[www.idele.fr](http://www.idele.fr)

Source INOSYS Réseaux d'élevage 2013-2013 - traitement Institut de l'élevage



## Control production cost (3/3)

- ▶ **Means action plan for better competitiveness**
  - ▶ reduce overhead costs (housing, sheds, equipment)
    - Pay particular attention to « fiscal » investments
  - ▶ food self-sufficiency : empower forage systems to better adapt to the vagaries
  - ▶ move towards renewable energy
  - ▶ market segmentation: to match more accurately with customers demand