



Beef and veal monthly remainders

Meat Market Observatory – Beef and Veal



Disclaimer:

The calculation of monthly remainders is intended to identify trends in the cost difference between the most relevant elements of some beef production models. It does not intend to calculate specific financial margins or evaluate the profitability of beef production.

The methodology outlined in this document is based on information gathered by the Commission services from different available sources.



Methodology



3 Production Models

- *Dairy calves fattening*
- *Beef calves fattening*
- *Young store cattle fattening*



Inputs

- **Prices live bovines**
- **Prices basic feed ingredients**
- **Prices bovine carcasses**
- **Basic parameters on fattening cycles:**
 - Initial live weight (Kg): fixed
 - Average daily gain-ADG (Kg): fixed
 - Fattening period (months): fixed
 - Feed conversion (Kg feed per Kg ADG): fixed
 - Carcass yield (index): fixed
 - Final live weight (Kg): calculated (Initial live weight+(ADG*days fattening period))
 - Carcase weight (Kg): calculated (final live weight*Carcase yield)
 - Amount of feed needed (Kg per 100kg carcase weight)= (ADG*days fattening period*feed conversion)*100/carcase weight
 - Formula feed (basic ingredients)



Data Sources

- *DG AGRI weekly prices (monthly averages) live animals and carcasses*
- *DG AGRI commodity price monitoring: Monthly commodity dashboard*

http://ec.europa.eu/agriculture/markets-and-prices/price-monitoring/index_en.htm



Calculations basic parameters

- **Initial live weight (Kg):** fixed
- **Average daily gain-ADG (Kg):** fixed
- **Fattening period (months):** fixed
- **Feed conversion (Kg feed per Kg ADG):** fixed
- **Carcase yield (index):** fixed
- **Final live weight (Kg):** calculated = Initial live weight + (ADG * days fattening period)
- **Carcase weight (Kg):** calculated = final live weight * Carcass yield)
- **Amount of feed needed (Kg per 100kg carcass weight):** calculated = (ADG * days fattening period * feed conversion) * 100 / carcass weight



Calculations cost feed (monthly)

- **Average feed price (€/Kg)** = monthly price of ingredients * coefficients feed formula
- **Cost main feed ingredients (€/100kg cwe)** = Average feed price (€/Kg) * Amount of feed needed (Kg per 100kg carcass weight)



Calculations cost animal purchase (monthly)

- **Price live animals (€/head):** fixed for dairy and beef calves, calculated for young store cattle ($\text{€/kg live weight} \times \text{initial live weight}$)
- **Cost animal purchase (€/100Kgr cwe) =** Price live animals $\times 100 / \text{carcass weight}$



Methodology: Calculation remainder (monthly)

- **Remainder (€/100Kg cwe) = carcass price - (cost main feed ingredients + cost animal purchase)**



Models



Dairy calves intensive fattening

Basic parameters

Initial live weight (Kg)	55,00
Average daily gain: ADG (Kg)	1,30
Fattening period (months)	10,85
Feed conversion (Kg feed per Kg ADG)	4,75
Carcase yield	0,53
Final live weight (Kg)	478,15
Carcase weight (Kg)	251,03
Amount of feed needed (Kg per 100kg carcass weight)	800,69

Formula feed example:

Ingredients:	100%
Cereals:	76%
Corn	15,20%
Barley	15,20%
Wheat	15,20%
Rye	15,20%
Oats	15,20%
Protein source:	24%
Rapeseed	12,00%
Soybean	12,00%

- *Inputs:*
 - **Price live animals:**
 - Dairy type calves' EU monthly averages
 - Source: weekly MS notifications
 - **Price feed commodities:**
 - EU monthly averages for corn, barley, wheat, rye, oats, rapeseed and monthly world average for soybean
 - Source: Monthly commodity dashboard
 - **Price carcasses:**
 - EU monthly average for AO2



Beef calves intensive fattening

Basic parameters

Initial live weight (Kg)	70,00
Average daily gain: ADG (Kg)	1,45
Fattening period (months)	10,80
Feed conversion (Kg feed per Kg ADG)	5,00
Carcase yield	0,53
Final live weight (Kg)	539,80
Carcase weight (Kg)	283,40
Amount of feed needed (Kg per 100kg carcass weight)	828,88

Formula feed example:

Ingredients:	100%
Cereals:	76%
Corn	15,20%
Barley	15,20%
Wheat	15,20%
Rye	15,20%
Oats	15,20%
Protein source:	24%
Rapeseed	12,00%
Soybean	12,00%

- *Inputs:*
 - **Price live animals:**
 - Beef type calves' EU monthly averages
 - Source: weekly MS notifications
 - **Price feed commodities:**
 - EU monthly averages for corn, barley, wheat, rye, oats, rapeseed and monthly world average for soybean
 - Source: Monthly commodity dashboard
 - **Price carcasses:**
 - EU monthly average for AR3



Fattening of young store cattle

Basic parameters

Initial live weight (Kg)	270,00
Average daily gain: ADG (Kg)	1,40
Fattening period (months)	8,00
Feed conversion (Kg feed per Kg ADG)	6,00
Carcase yield	0,58
Final live weight (Kg)	606,00
Carcase weight (Kg)	351,48
Amount of feed needed (Kg per 100kg carcass weight)	573,57

Formula feed example:

Ingredients:	100%
Cereals:	76%
Corn	15,20%
Barley	15,20%
Wheat	15,20%
Rye	15,20%
Oats	15,20%
Protein source:	24%
Rapeseed	12,00%
Soybean	12,00%

- *Inputs:*
 - **Price live animals:**
 - Young store cattle EU monthly averages
 - Source: weekly MS notifications
 - **Price feed commodities:**
 - EU monthly averages for corn, barley, wheat, rye, oats, rapeseed and monthly world average for soybean
 - Source: Monthly commodity dashboard
 - **Price carcasses:**
 - EU monthly average for AR3