WAYS OF INCREASING ECONOMIC EFFICIENCY IN BEEF CATTLE RAISING AND FINISHING

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Abstract: *Profitability of raising and finishing beef cattle is given by the perfect correlation of the biological material used with the finishing technology implemented at the farm. Economic efficiency of raising beef cattle becomes possible only in the context of ensuring optimum technological requirements through a management that takes into account the increase of incomes without increasing production costs while using all the ways of reducing expenses. Each of these forms of improving economic efficiency on beef cattle farms has numerous means some of which have an obvious effect while others do not.*

Keywords*: beef cattle, economic efficiency, farms*

INTRODUCTION

Profitability of raising and finishing cattle results from the perfect timing between the biological material used and the raising and finishing technology. Economic efficiency of raising cattle as an activity in itself is possible only in the context of ensuring optimum technological conditions through a management that takes into account income increase without production cost increase while using all the ways and means of reducing expenses [1,4,7]. Each of these forms of increasing economic efficiency has its own ways some of which have more noticeable effects than others do. It is worth mentioning that any way of increasing economic efficiency we used should not alter production quality no matter the cattle raising and finishing technology. Though cattle have a lower yield upon slaughtering than other livestock and a lower feed conversion rate, they do not rank first from the perspective of fodder and vegetal debris from field crop valorisation. Raising cattle aims at increasing milk and beef production by taking into account the economic efficiency as a decisive factor in achieving profitability on cattle farms[2,5].

Efficient beef production is possible when correlating perfectly the biological material used and the technology of raising and finishing used. Improved cattle breeds are economic only if we meet optimum technological requirements; they are not economic when raised improperly or without an optimum level of feeding and climate conditions. Raising cattle becomes profitable only when incomes from the sale of main and secondary products are higher than production costs. It is desirable to achieve this goal through an efficient management where income increases without production costs increase[3,6,8]. In other situations, we can increase economic efficiency by reducing costs without affecting production quality. We also need to increase milk and beef production from one year to another to increase incomes and to be economically efficient by maintaining expenses constant – increasing them as little as possible or even reducing them. Increasing economic efficiency in the raising and finishing of cattle is possible by increasing incomes or by reducing expenses, each of which is done differently. It is very important to act concomitantly in both directions to increase economic efficiency using all the ways and means to produce a maximum economic effect.

MATERIAL AND METHOD

Because of low yields upon slaughtering in native cattle breeds, we need measures to improve the biological material and invest in raising and finishing technologies and, thus, reach economic efficiency.

RESULTS AND DISCUSSION

To increase incomes from both dairy and beef cattle raising on a continuous basis, we need to take into account the following:

- Increasing milk production;
- Achieving higher weight gains during the beef cattle finishing periods;
- Correlating product price-cost-quality;
- Accessing support measures through Payment Agencies.

This last potential way of increasing incomes is increasingly accessible and profitable during 2015-2020, when Romania benefits from 10.85 billion Euros within the Pillar I of the Common Agricultural Policy. By applying for a unique payment application per area at the local/county centres of the Agency for Payment and Intervention in Agriculture, applicants an access several payment schemes:

- The unique payment per area scheme (a unique payment per eligible hectare declared by farmers and totally cut from production);
- The redistributive payment (an annual payment for the farmers that are entitled to unique payment per area, granted for the first 30 ha of the exploitation, no matter its area);
- The payment for climate or environment friendly agricultural practices, practices that are also called “payment for greening” (a payment for the farmers that are entitled to unique payment per area and who, depending on the profile of the exploitation, uses climate or environment friendly agricultural practices);
- The payment for young farmers (a payment for the farmers that are entitled to unique payment per area and that meet cumulatively two conditions: that they establish for the first time on an agricultural exploitation as managers or that they had already done it in one of the five years previous to the first application for a unique payment scheme per area and are below 40 in the year of application: the payment represents 25% of the quota per ha of the unique payment per area for maximum 60 eligible ha);
- The coupled payment scheme (a payment for both vegetal and animal farms);
- The simplified payment for small farmers (a payment of maximum 1,250 Euros/year).

Direct payment schemes can be doubled by national transitory supports for the vegetal and animal sectors within annual budget limits from the Ministry for Agriculture and Rural Development.

Increasing economic efficiency by reducing expenses is a way to increase economic efficiency without being an impediment in the increase of milk and beef production: it is recommended to use it only if it does not result in production stagnation or diminution. Reducing expenses can be done by extending mechanised works correlated with the reduction of the need for human intervention, by feeding animals, by reducing costs with services and works, and by reducing expenses for amortisements through accessing measures for rural development. Increasing milk and beef production is possible by increasing weight upon slaughtering and mean milk production and by increasing production per foraged cattle. Economic efficiency of milk and beef production is

influenced by a set of factors that increase profitability and decrease costs: zoning and improving cattle breeds continuously, improving livestock number structure per categories, specialising and sizing the agricultural exploitation at optimum levels, organising production, using the productive potential of dairy cows constantly over an entire year, and maintaining animal health state and welfare.

To increase the profitability of both dairy and beef cattle farms, we need to monitor the increase of milk production per dairy cow and of beef production per carcass, the improvement of milk and beef quality, and the diminution of production costs on the farms. By using new, intensive methods of exploitation, we can get better beef. By finishing young animals we can get larger amounts of more tender beef. For the same reasons, we recommend the crossing of less productive cattle breeds with beef cattle breeds to increase yields upon slaughtering and higher quality beef.

CONCLUSIONS

Increasing milk and beef production in cattle can be done by improving raising and finishing technologies, by increasing economic efficiency of the farm and by correlating price and cost with the quality of the products.

Accessing support measures from payment agencies is a possible way to increase incomes from dairy and beef cattle raising.

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