Financial viability of two dairy farms: Comparative Mexico and Catalonia

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Objective
Economical evaluation of two intensive dairy farms, one of them situated in Osona, Catalonia region and another in the dairy basin of Tizayuca, Hidalgo, Mexico. Both are high cattle density regions.

Material and Methods
Survey on farms: 2 farms were surveyed to find data about their structure, management, production level, costs and incomes.
Economical index: Total Cost, Costs/Cow, Costs/Liter, Total Incomes, Benefits, Threshold of profitability.

Results
- The Catalan farm, despite having 48% fewer heads than the Mexican farm, achieves a 13% lower production. This is because the milk produced per cow in lactation and day is 62% higher.
- Mexican farm has 5% more total annual cost, because the food expenses. But the cost of manpower is 2.5 lower.
- Catalan cost/cow is almost twice than in Mexico. But cost/liter is quite similar.
- Both farms have benefits above 20000€/year.
- Threshold profitability in liters is 1611676L/year in Osona and 2947202L/year in Tizayuca, that is, 17.7L/cow in lactation and day in both farms.

Conclusion
- Genetics, environment and climate affect the difference in production/day, but the most important factor is feeding. Diet is also a decisive economical factor, so accurate formulation determine a farm viability.
- When the cost of labor force increase the farms has to invest in infrastructure.
- The difference between yield point and actual production is higher in Catalonia.
- Intensive dairy farming has similar threshold profitability in liters in different territories around the world.
- To reach a balance of costs and incomes the farms has to adapt to reality of its territory.
- Look to the future, is more profitable and environment sustainable to increase production per cow than herd size.