

Summary

An ex-ante analysis of the financial profitability of investments in a new ICA-CIAT improved pastures technology program for the high area of the eastern plains of Colombia is made in the study. The intention of the program is to establish 12,400 ha of pastures between 1986 and 1991. The analysis was made based on the internal rate of return (IRR) of investments in basic infrastructure on a farm of 100 ha, under a traditional management system (100% native pasture), an improved management system (43% in associated pastures), and three production systems: 1) breeding and rearing; 2) breeding, rearing, and fattening; and 3) dual purpose with sale of milk and fattening of animals. Technical coefficients and cost of inputs are those that are normal in the region and the ones found in research of the ICA-CIAT technology transfer program.

Starting from a stable herd, it was found that in the traditional system of breeding and rearing, approximately 14 years are required for the producer to recover the initial investment; in the system of breeding, rearing, and fattening, 9 years are required; and in the dual-purpose system, 7 years are required. This indicates

marginal IRRs for the producer of 30.7% in the second system, and 83.1% in the dual-purpose system. When the analysis was made at the regional level, the economic IRRs were 25% and 60% for both systems, respectively. In addition, the study includes a projection of increases in cattle productivity resulting from the implementation of the program in 80,000 ha of improved pastures in the high area of the eastern plains of Colombia.