

# Dairy sector in Latvia: outlook and challenges

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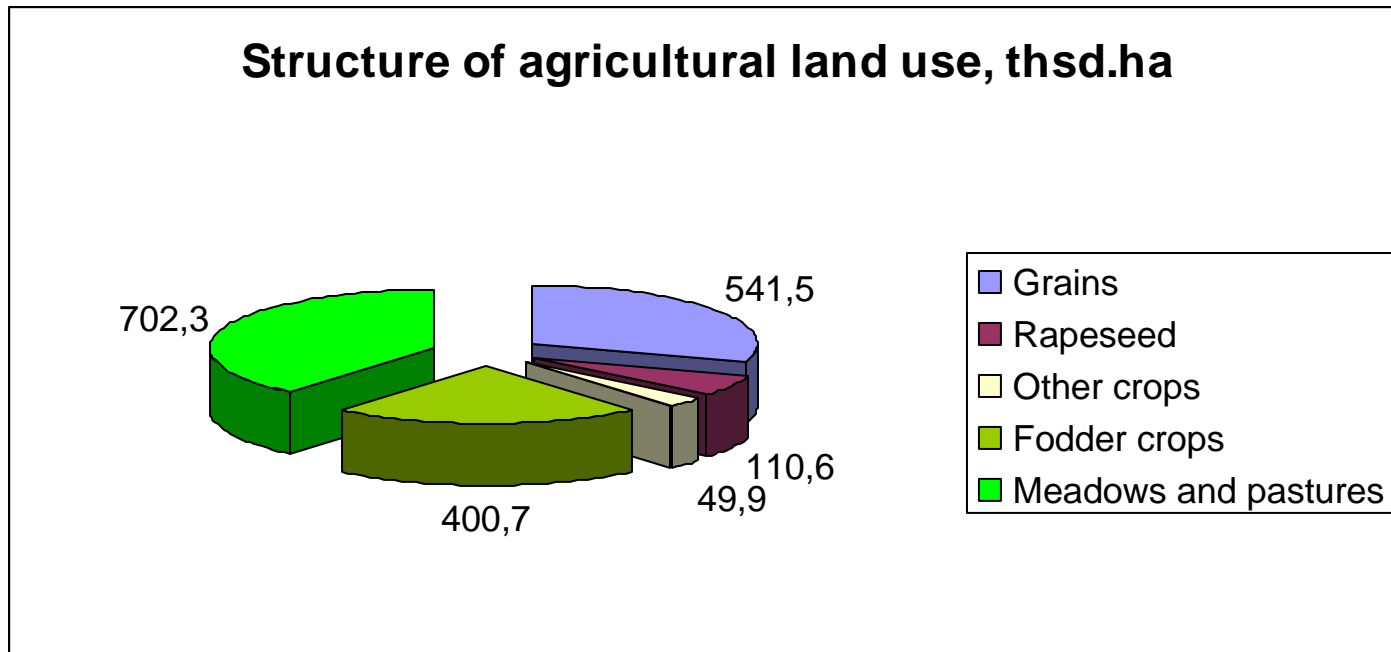
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2012/06/14, EMB visit, Riga, Maritim Park Hotel



# Agricultural resources. Latvia. 2010



- 1,8 million ha of UAE, according to Latvian statistics
  - 1,1 million ha green fodder area
- cattle - 380 thsd
  - dairy cows - 164 thsd.
- pigs - 390 thsd.



# Latvian dairy sector in 2011.

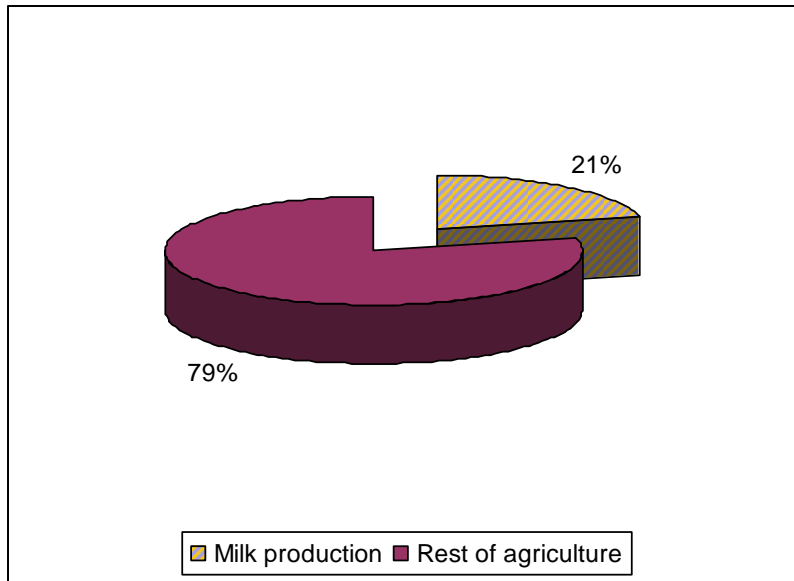
## Some figures

- 164 thsd. milking cows in
  - 27,1 thsd.herds
- 842 thsd.tonns of milk produced
- 695 thsd. tonns of milk marketed
  - 240 thsd. tonns of raw milk exported
- 168,3 mil. Ls (239,5 mil.EUR)- milk value from agriculture
- 179,4 mil. Ls (255,3 mil.EUR)– value of dairy products from food industry
- 3000 – number of employees in processing industry

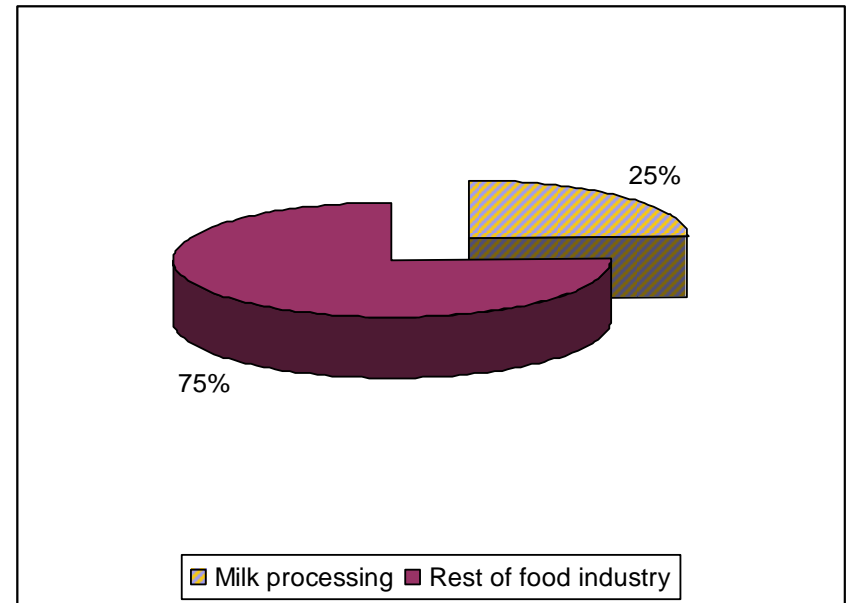


# Dairy sector in...

## ■ Agricultural output

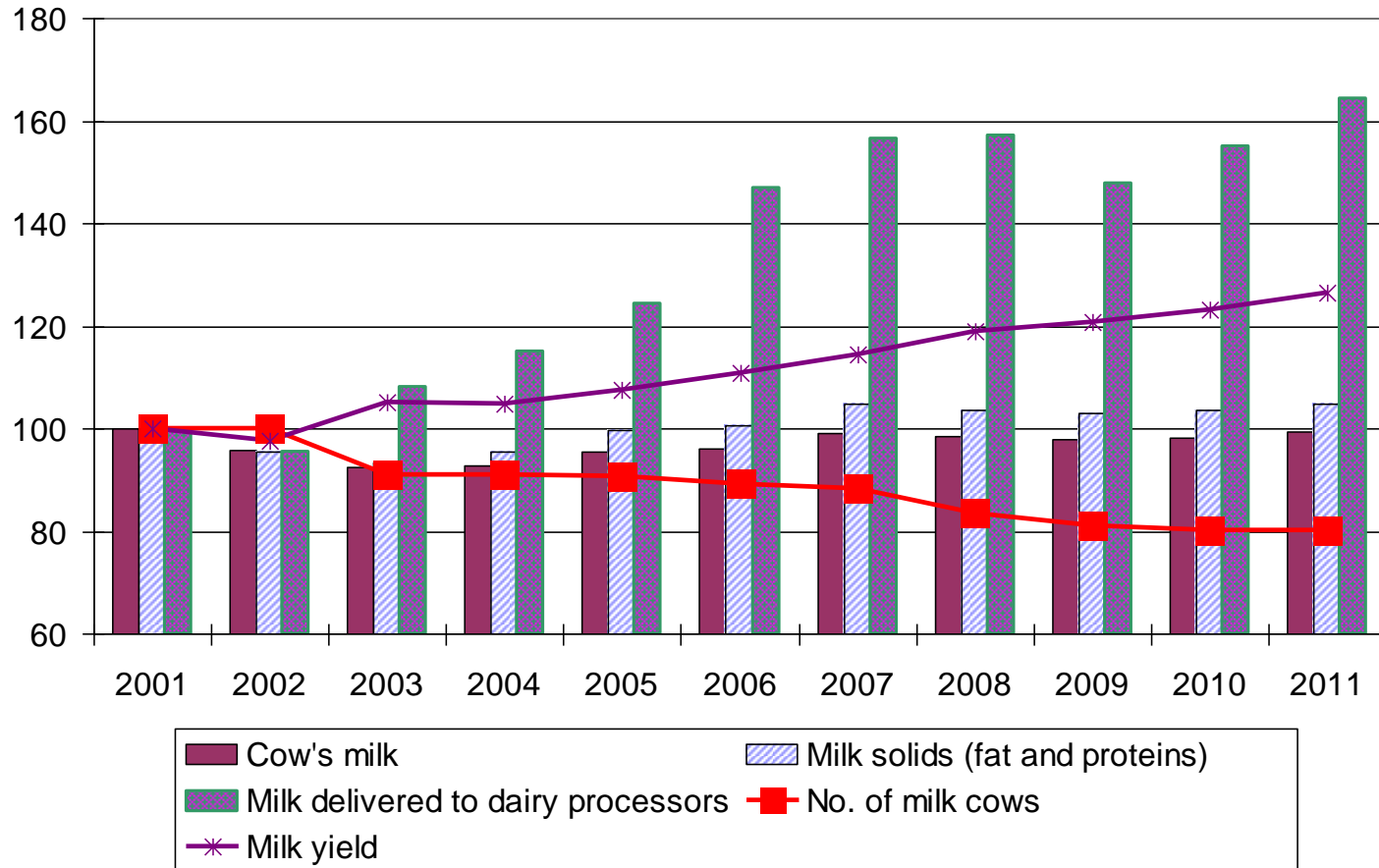


## ■ Output of food industry

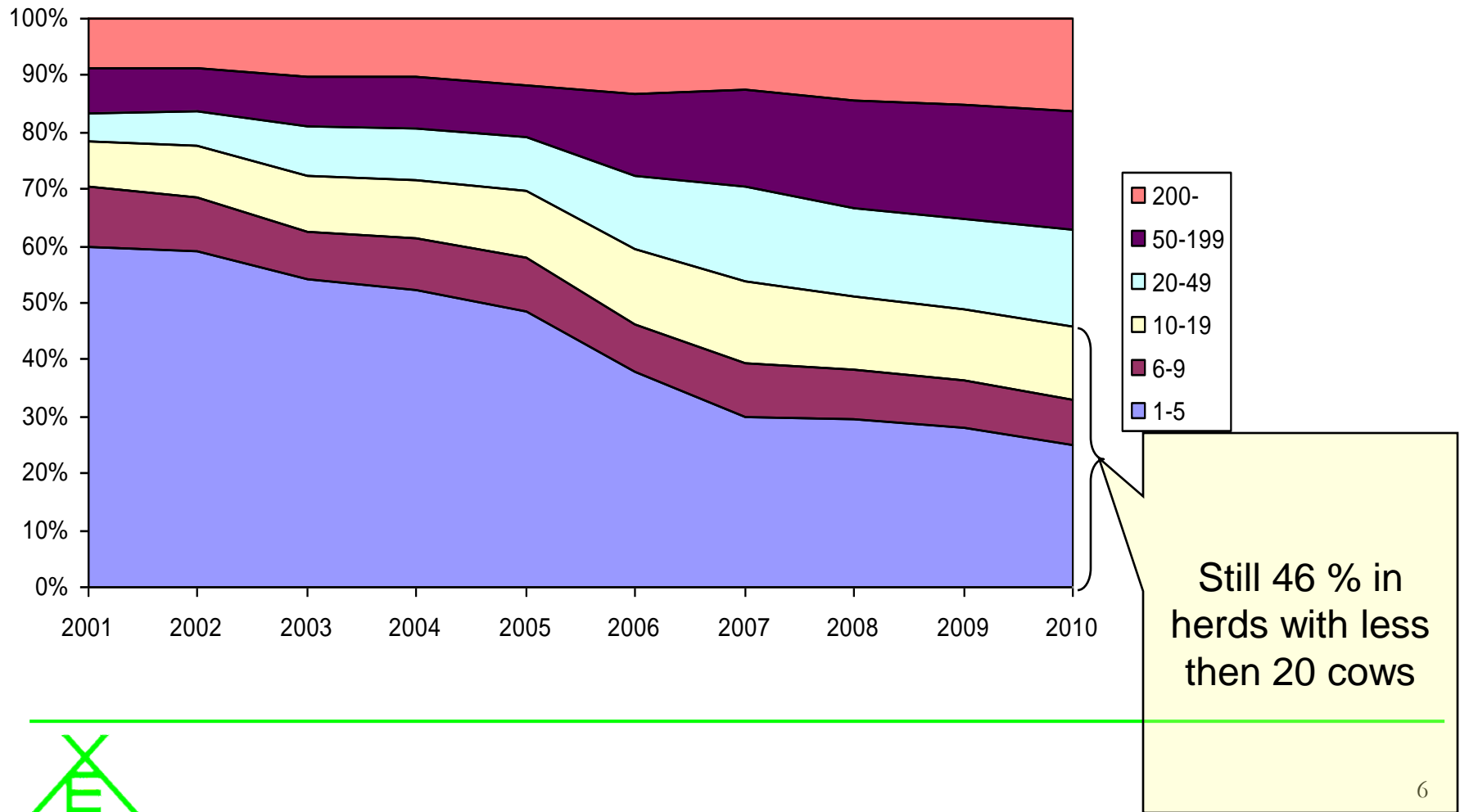


# Dynamics of primary sector...

## 2001=100%

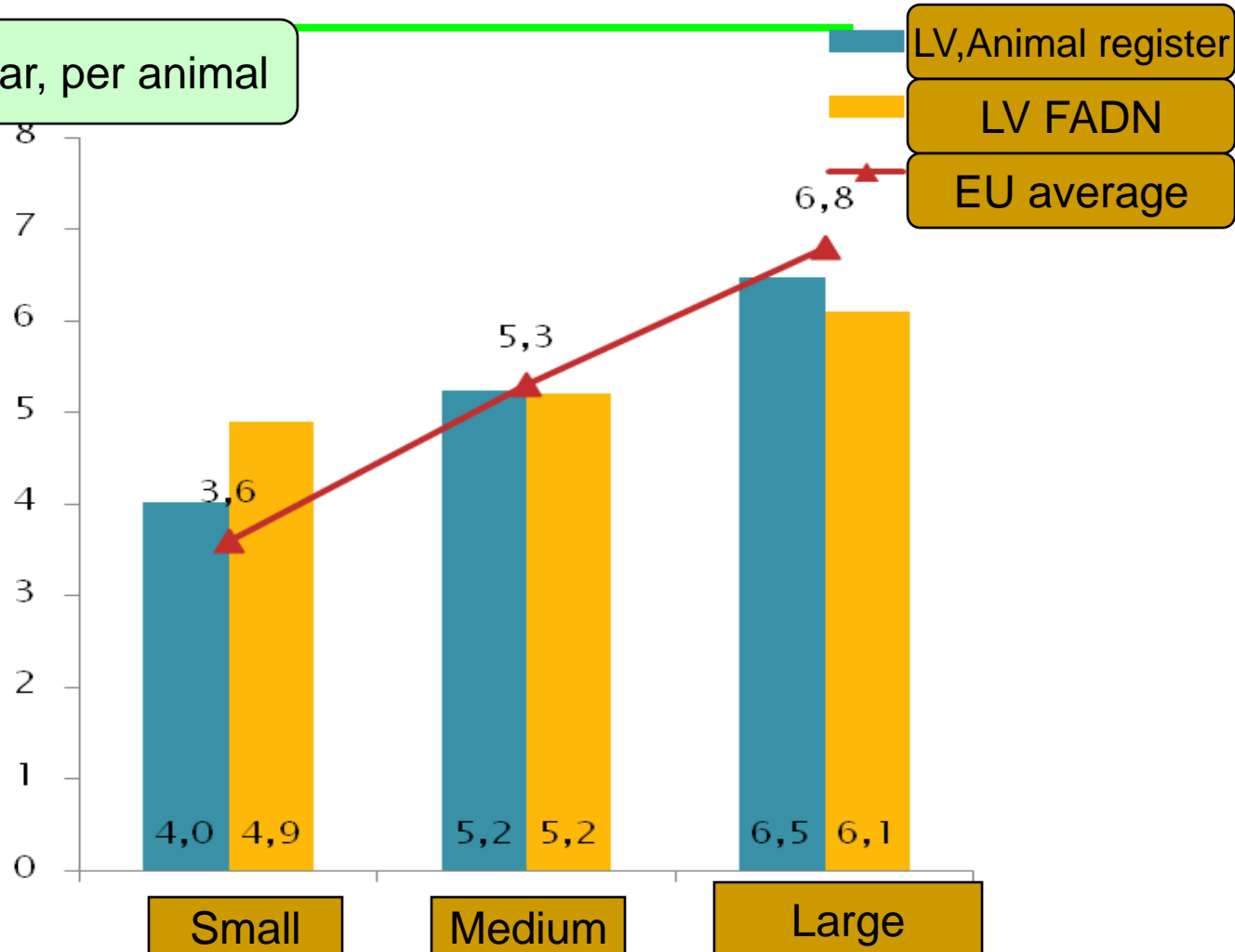


# Structure of dairy cows by farm size class

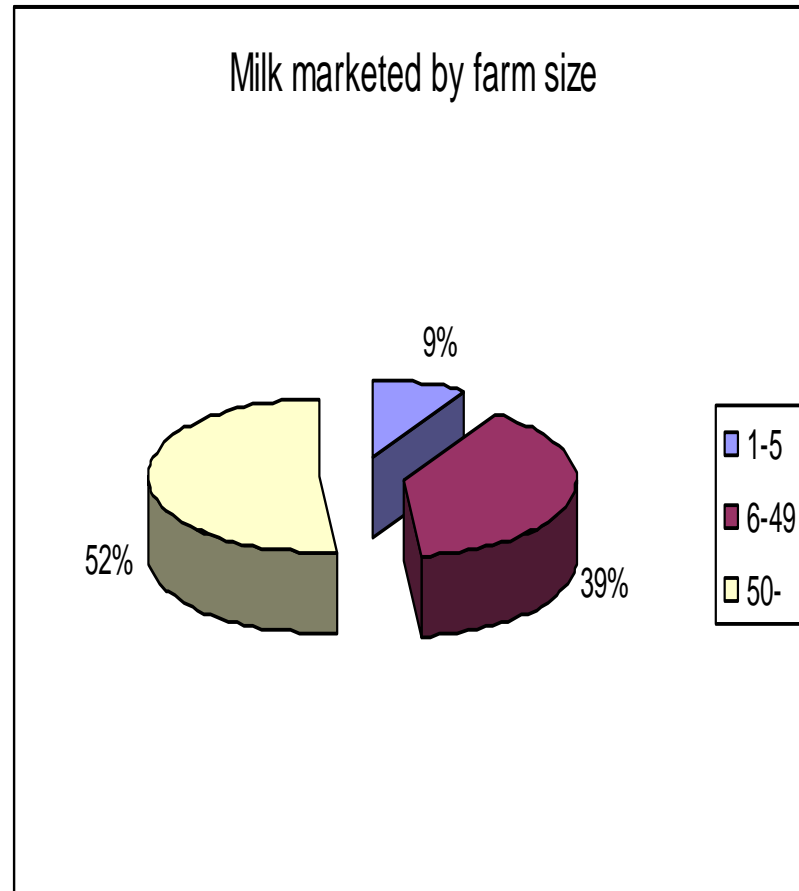
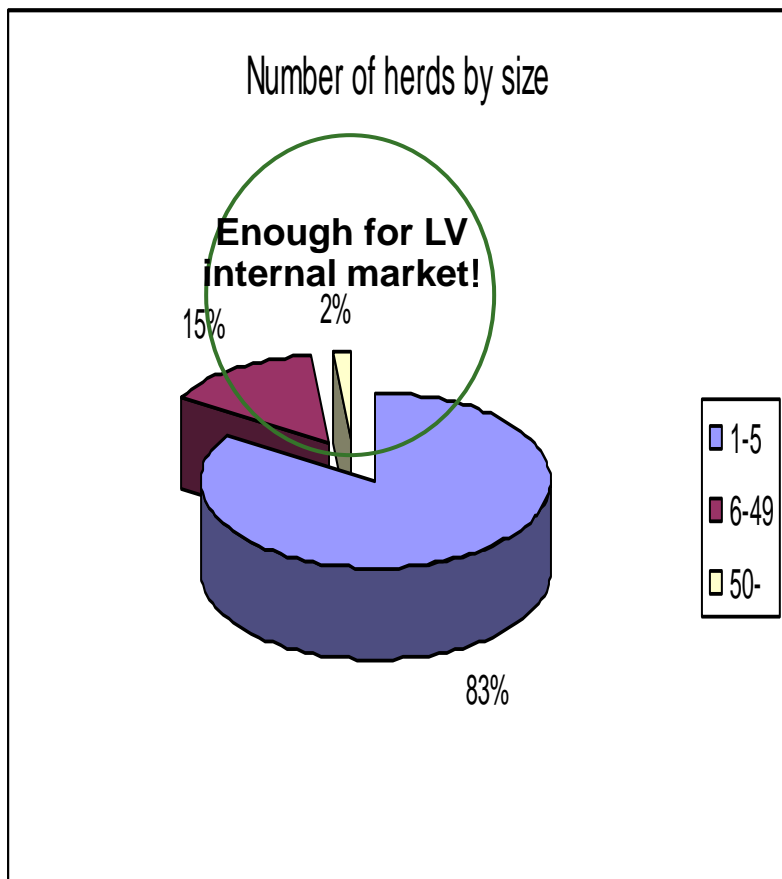


# Milk yield dependency on herd size

t per year, per animal



# 2-3 % of dairy herds produce more than 50 % of milk sold on market

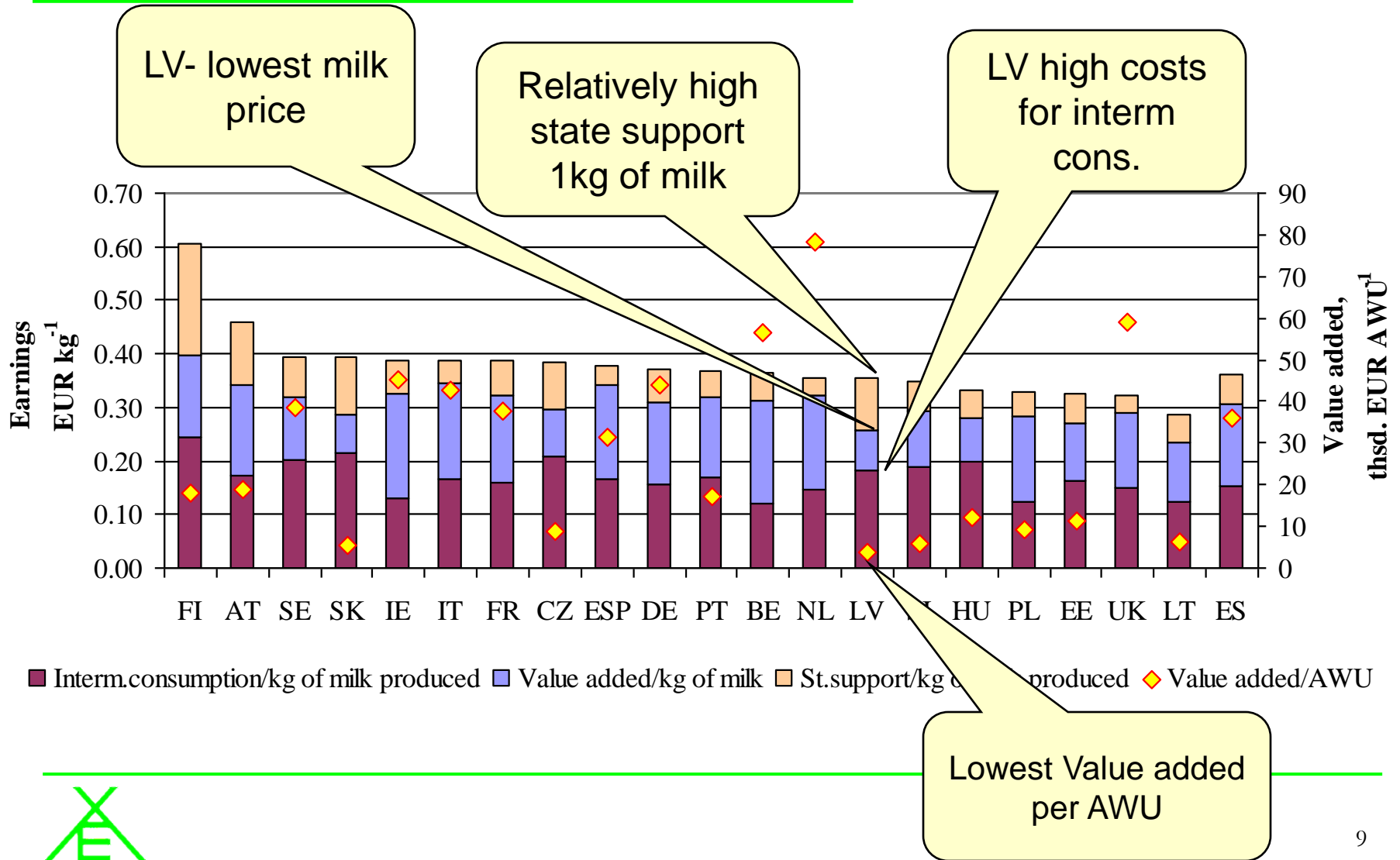


Source: Agriculture Data Center

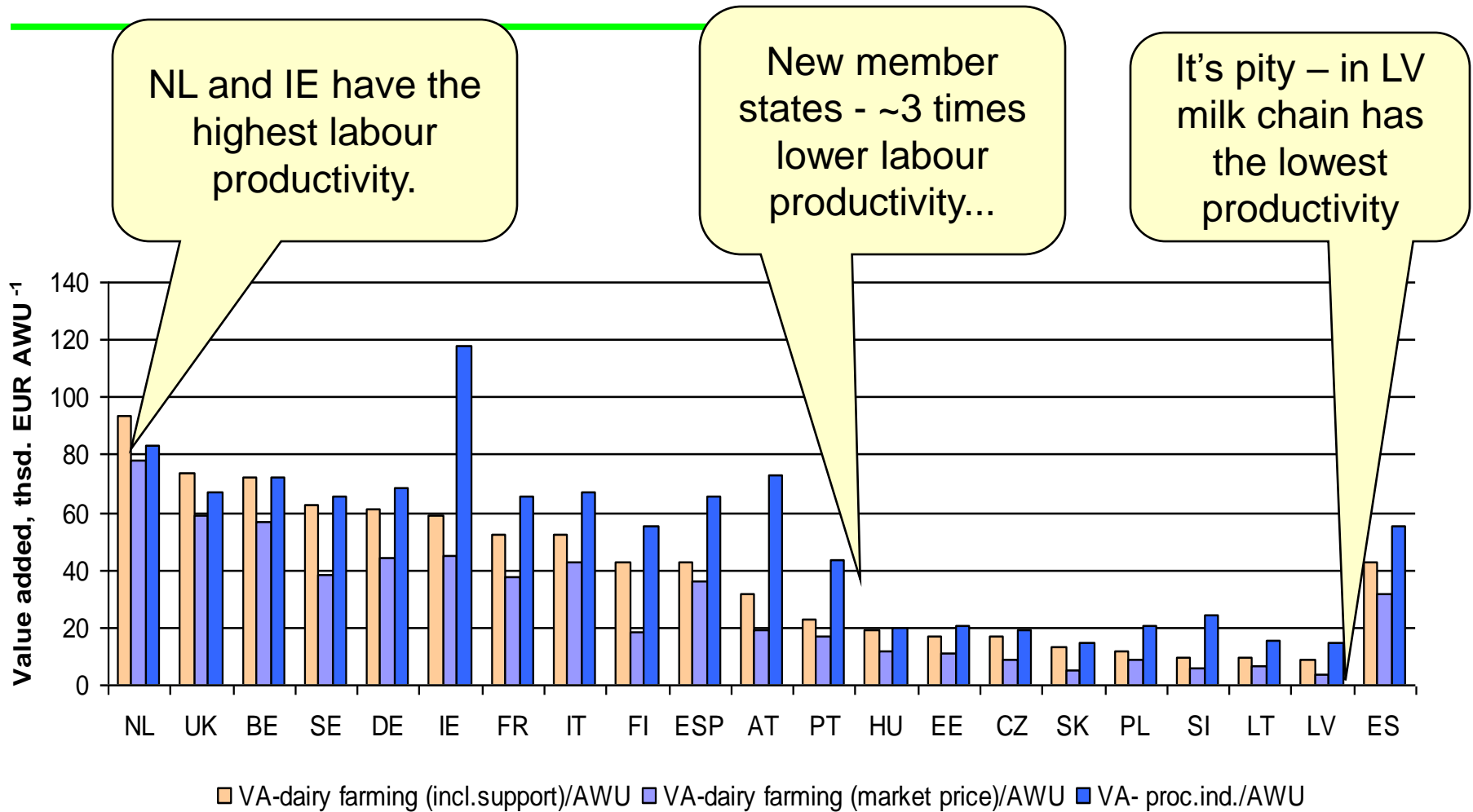




# Dairy farms in EU countries: earnings, costs and value added, 2006-2008 in average

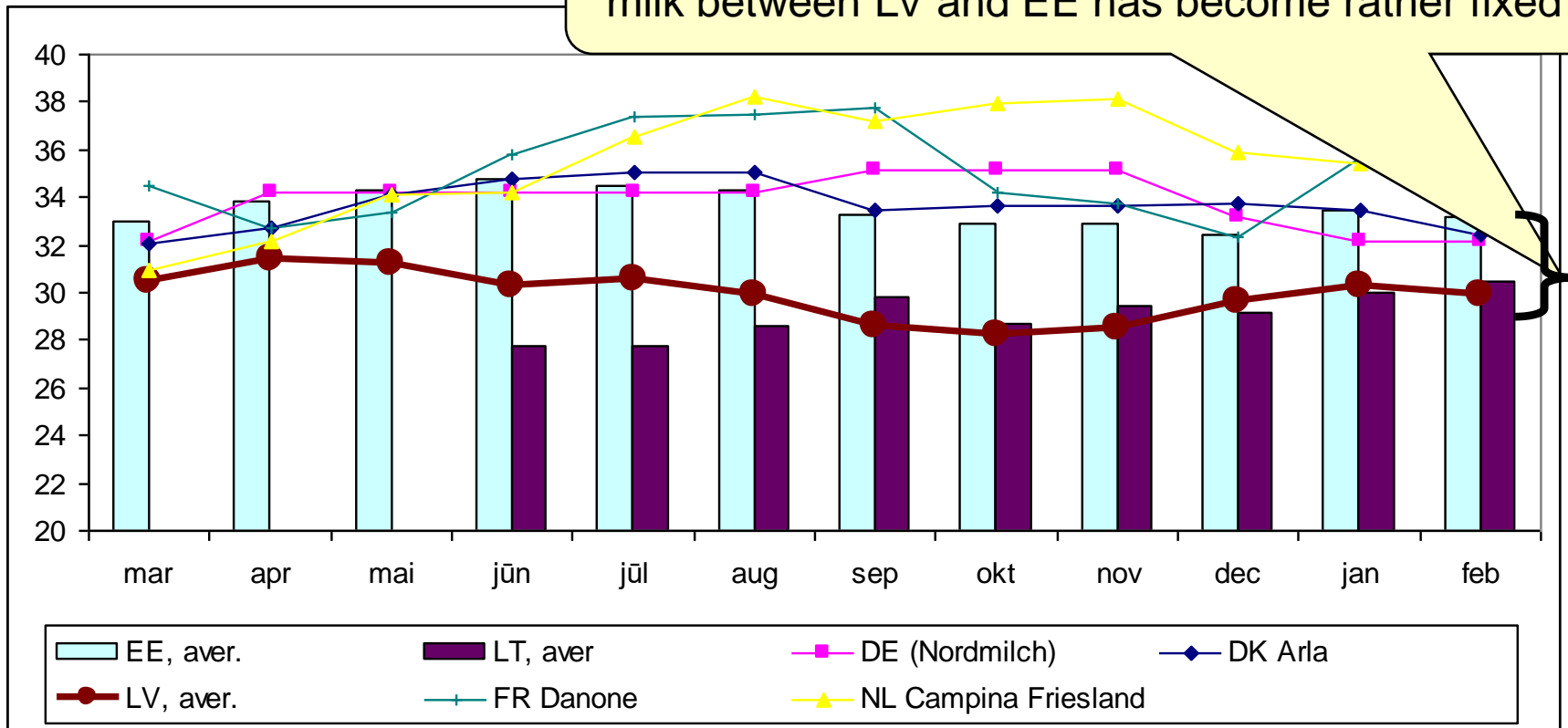


# Value added per AWU, average 2006-2008



# Farmgate prices in Baltic countries, standardised raw milk,

Difference in 3-5 EURc for prices of standardised milk between LV and EE has become rather fixed



# Challenges for LV dairy sector

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- Continuation of change in dairy cow herd structure
  - More market oriented instead of subsistence farming
- Gaining the marketing power
  - Bigger the volumes – stronger the individual market power and less costs for the logistics
  - Marketing via Coops. Up and down. Joint long term benefit
- Higher profit from the kg of milk sold on the market
  - Higher labour productivity
  - Better feeding solutions
  - Efficient use of:
    - bull calves
    - manure

