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Content

- Dairy sector in CEE countries
- Interactive Strategic Management project to study dairy farmers strategies / developments paths

Dairy sector as a part of Gross Agricultural Output %

Sector	POL	LTU	SLO	LVA	EST	SVK
Milk	14.9	21,8	14.5	23.1	29.1	15.6
Beef	4.6	5.0	12.8	3.9	5.6	8.2
Pigs	10.8	6,2	5.3	7.8	12.0	4.8
Poultry	12.2	4,7	10.0	3.0	3.2	15.8
Sheep & goats	0.0	0.1	0.7	0.3	0.4	0.5

Goal of study

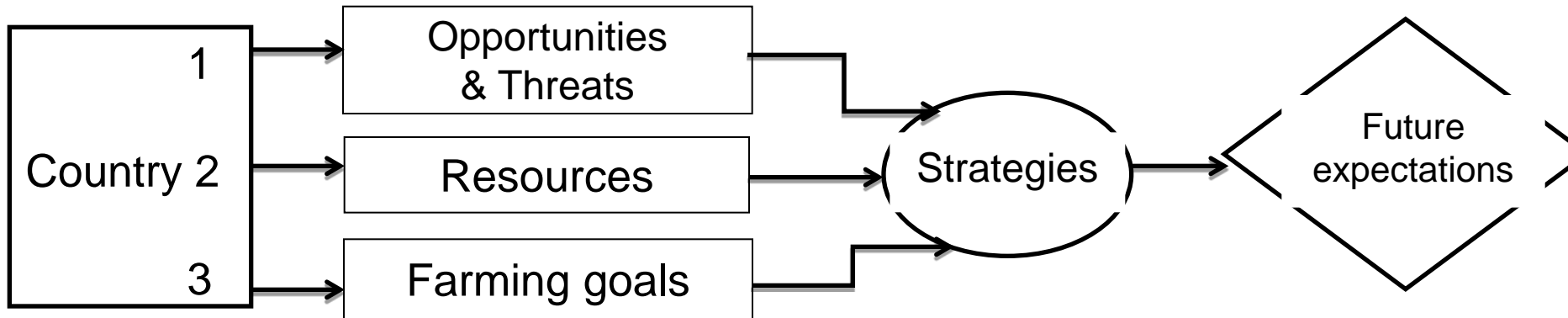
- **Which development paths do dairy farmers in CEE choose?**
- **Which economic and social factors influence this?**
 - **Farming goals**
 - **Resources**
 - **Opportunities & Threats**



Analysis

- Using questionnaire (n=1028; 3 countries)
- 49 main questions and many sub-questions
- **Factor analysis** (to reduce no. of questions before cluster analysis)
- **Cluster analysis** to form farmers' segments
- **Means** to describe segments

Research model used



Characteristics of dairy farms in sample

Characteristics	Lithuania	Poland	Slovenia
Ha land owned	41	27	14
Ha land rented	56	9	17
Number dairy cows	33	24	31
Milk production per cow (2010)	5390	5120	6670
Cubicle/loose housing (in %)	21	17	47
Grazing (% yes)	95	75	40
Number of parcels of agric. land	15	15	31

Seven farmers' segments identified per country (in %) (n=1028)

Country	Farmers who Wait & See	Movers	Cooperating specialists	Independent specialists	Chain integration	Cooperating diversifying farmers	Independent diversifying farmers
Lithuania	19	6	8	45	4	3	15
Poland	11	2	15	49	20	1	4
Slovenia	10	7	16	31	14	12	10

Diversification

- **Agricultural activities**

- Suckler cows
- Beef/pigs/sheep/goats
- Horses / bees
- Vineyards/horticulture
- Forestry...

- **Non-agricultural activities**

- Special local products
 - Milk & meat products
 - Oil, honey, ...
- Energy production
- Machinery services
- Agro-tourism
- Cottage industry
-



Farming goals between countries

1 = very unimportant

7= very important

Farming Goal	Slovenia	Poland	Lithuania
Maximize profit	6.53 (1)	6.24 (1)	6.43 (1)
Sustainable	<u>6.30</u> (2)	5.95 (2)	6.13 (2)
Dairy farming	<u>6.07</u> (3)	5.44 (4)	5.86 (4)
Work environment	5.86 (4)	5.39 (5)	5.94 (3)
Improve management	5.45 (5)	<u>5.77</u> (3)	5.56 (5)

Underlined significantly higher; **Bold** significantly lower

Segments and farming goals

Farming Goal	Farmers who Wait and see	Movers	Coop specializers	Indep specializers	Chain integration	Coop diversifying farmers	Indep diversifying farmers
Maximize profit	--			6.48 (1)		--	
Sustainable				6.18 (2)			
Dairy farming	--			6.01 (3)		--	
Work environment		+		5.80 (4)		--	
Improve management	--			5.71 (5)		--	

Availability of resources between countries

1=very difficult to get

7=very easy to get

	Slovenia	Lithuania	Poland
Land	2.53 (1)	2.48	<u>2.88</u>
Labour	<u>2.91</u> (2)	2.56	2.55
Money	3.71 (3)	4.69	<u>5.23</u>
Quota	3.95 (4)	4.81	<u>5.33</u>
Info	4.84 (5)	5.69	<u>6.00</u>

Underlined significantly higher (i.e. lesser problem); **Bold** significantly lower (i.e. bigger problem)

Farmers' segments and resources

Resources	Farmers who Wait and see	Movers	Coop specializers	Indep specializers	Chain integration	Coop diversifying farmers	Indep diversifying farmers
Land				2.65 (2)			
Labour				2.59 (1)			
Money				<u>4.69</u> (3)		-	
Quota				4.84 (4)		-	
Info				5.59 (5)		-	

Opportunities & Threats between countries

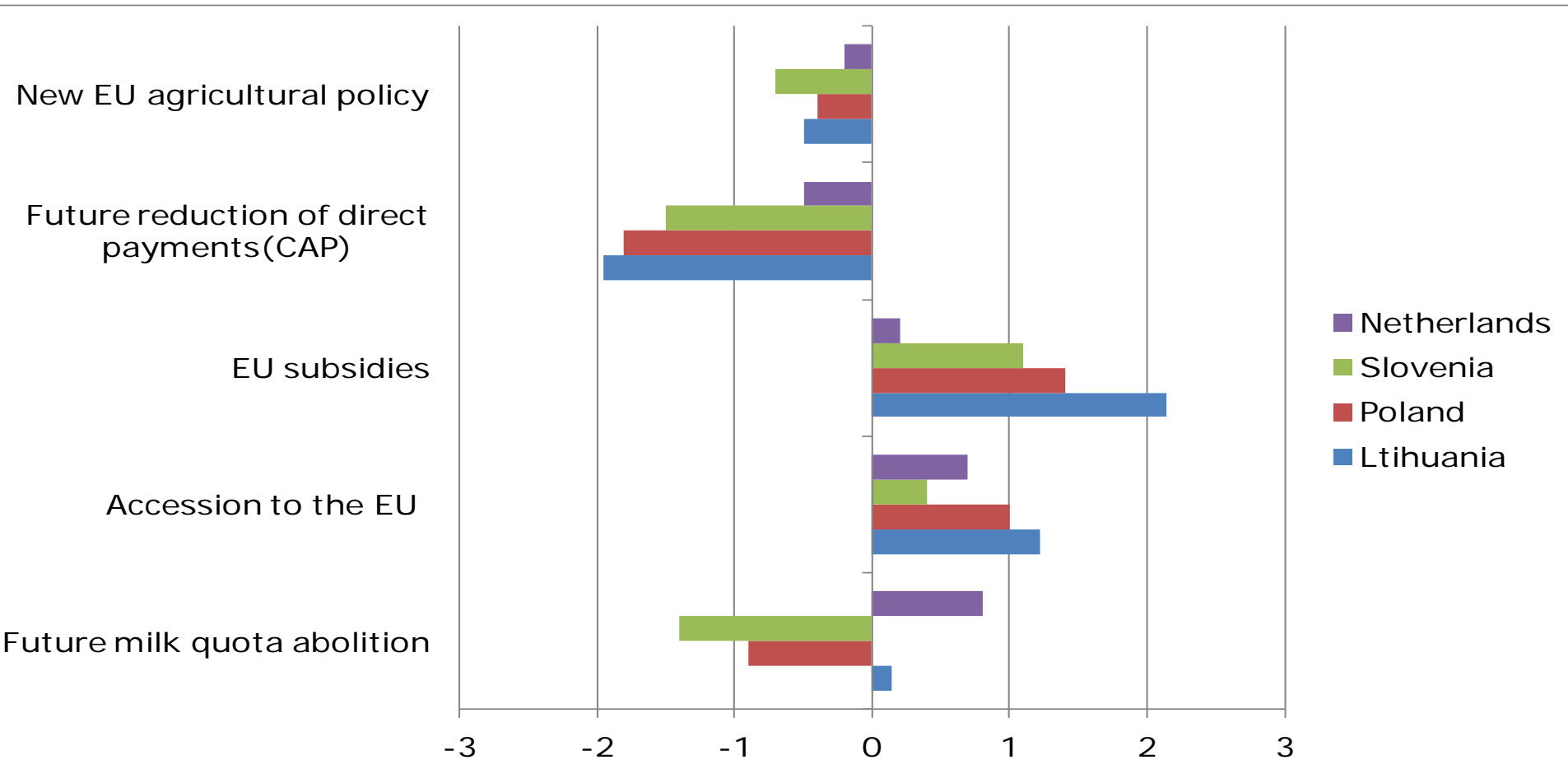
1=big threat

7=big opportunity

	Slovenia	Lithuania	Poland
CAP	2.56	<u>3.13</u>	2.64
EU agricultural policy after 2015	3.23	3.49	3.59
Milk market	3.75	<u>4.30</u>	3.99
Regulations	3.94	<u>4.44</u>	3.97
EU membership	4.73	<u>5.68</u>	5.19
Interaction in chain	4.96	4.99	4.60
Services	4.87	<u>5.62</u>	5.36
New technologies	5.58	5.71	5.57

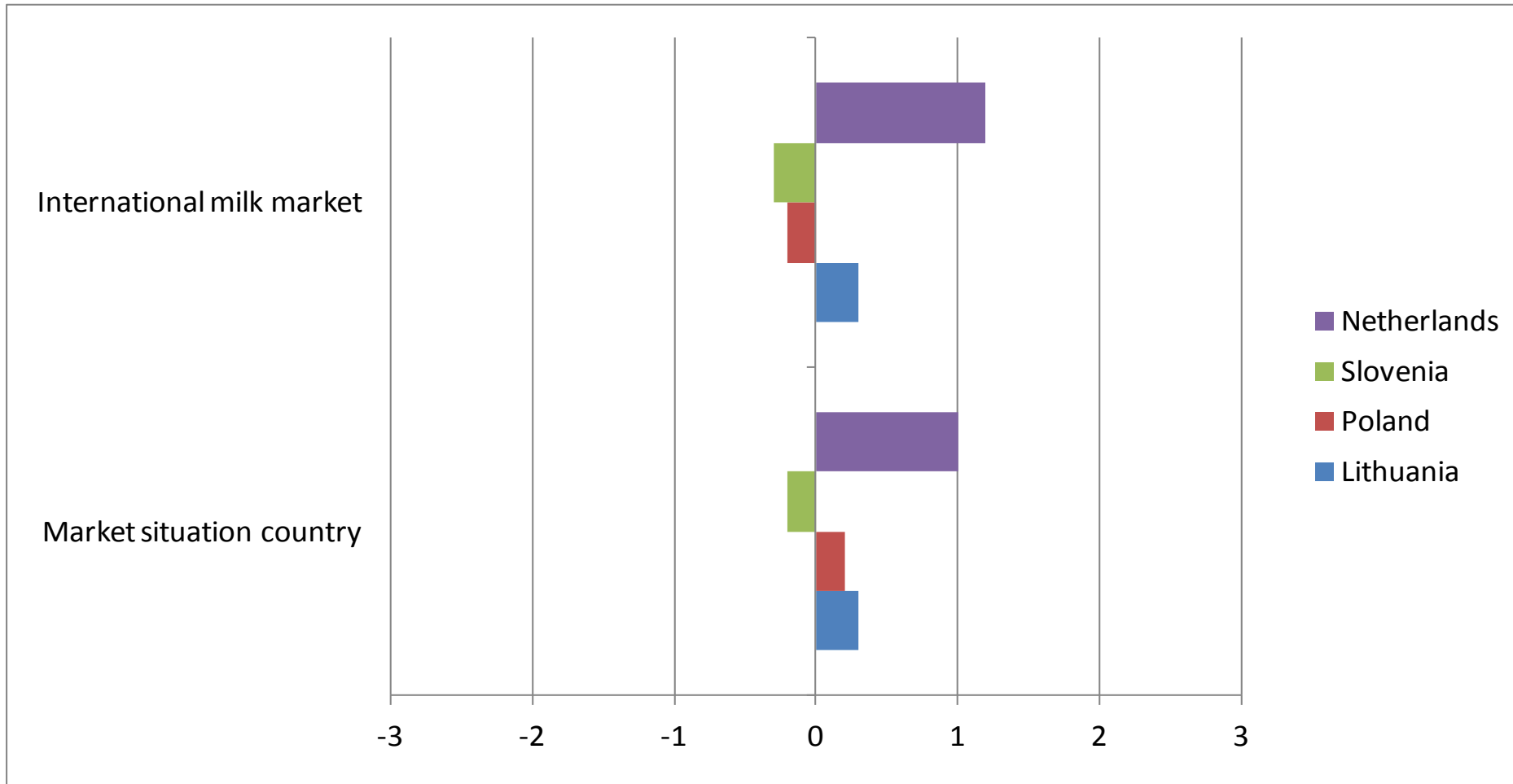
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Inclusion of group (102) of Netherlands farmers: EU policies (-3 big threat to +3 big opportunity)



The Market

(-3 big threat to +3 big opportunity)



Conclusions

- Between countries we found (considerable) differences in strategies
- Between 7 farmers' segments we did not see much difference in farming goals, availability of resources or O&T.
- However, **Wait & See** farmers and **Cooperating diversifiers** were smaller and / or more pessimistic / realistic about their possibilities
- Farmers in all countries experience **problems with resources, i.e. land and labour**
- **Land fragmentation and amount of rented land is a weak point**
- CEE farmers experience **policy developments and milk market** as more threatening than Dutch farmers

Cattle husbandry in Eastern Europe and China



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Thank you for your attention! Questions?

