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Dairy sector developments and farm strategies in Poland

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Plan of presentation

1. Dairy sector development in Poland

– general overview

2. Strategies of dairy farmers in Poland

– results of the survey



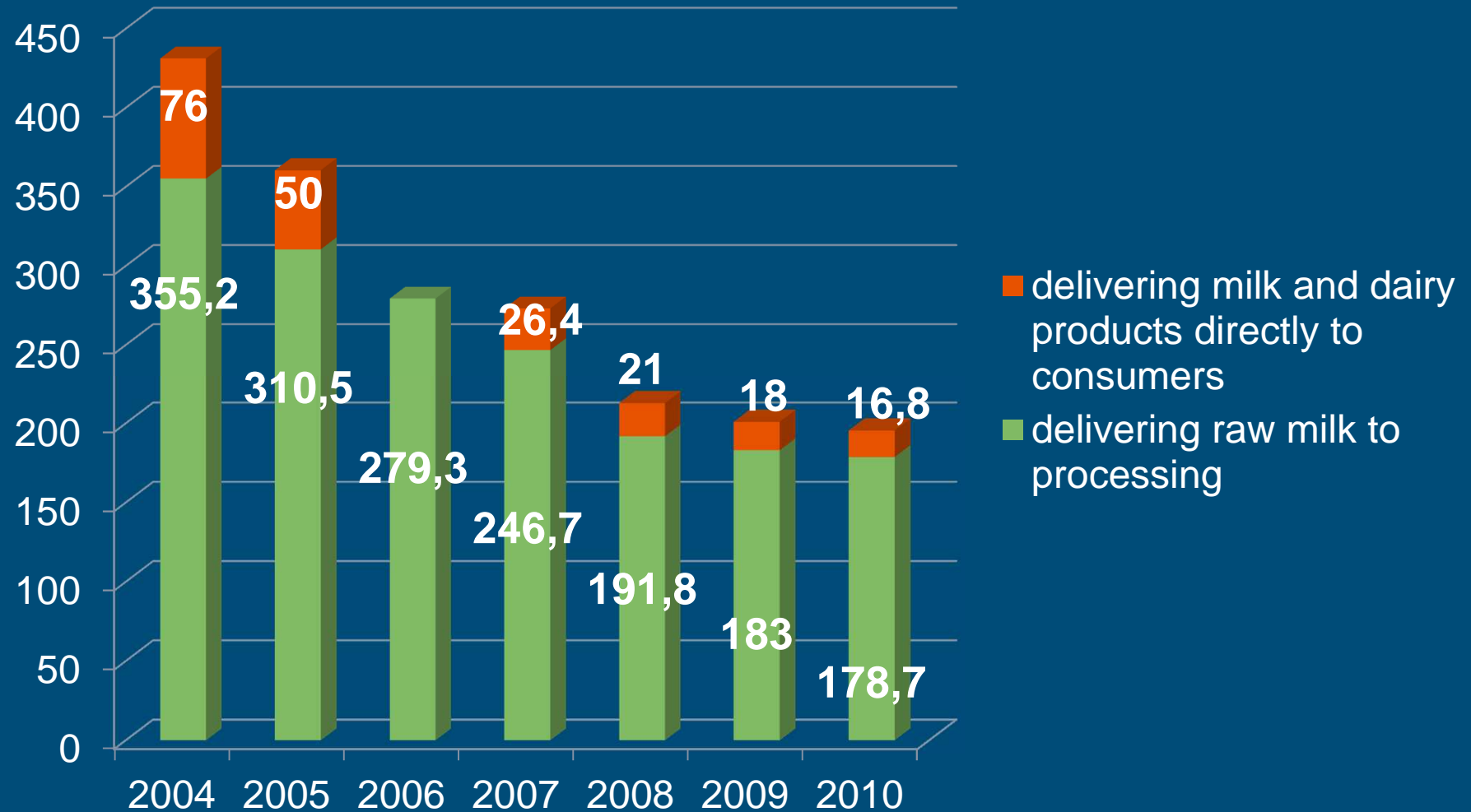
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Share of Gross Agricultural Output (in %)

Specification		2005	2009	2010	2011
Animal production		51,4	47,6	46,4	44,1
in which:	milk production	17,1	14,3	15,5	15,0
	cattle (excl. calves)	3,7	4,2	4,0	4,2
	pigs	15,3	12,5	10,9	10,9
	poultry	7,4	8,2	8,1	8,4



Number of producers having milk quotas (in thousand)



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Keeping cows system in Poland

Usual access to pasture

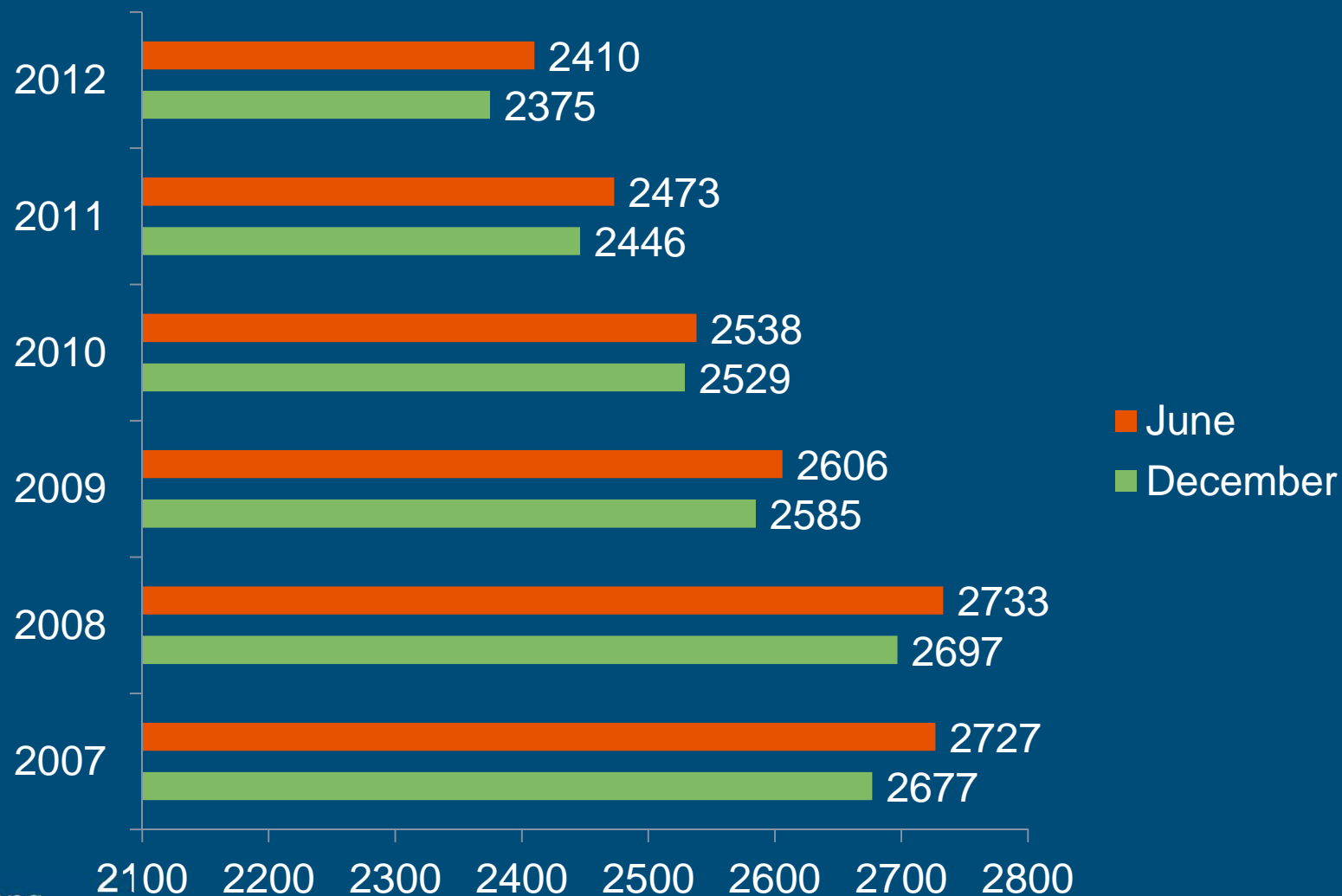
Large scale – loose housed barn

Small scale – tied up cows



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Dairy cows number 2007-2012 (in thousand)

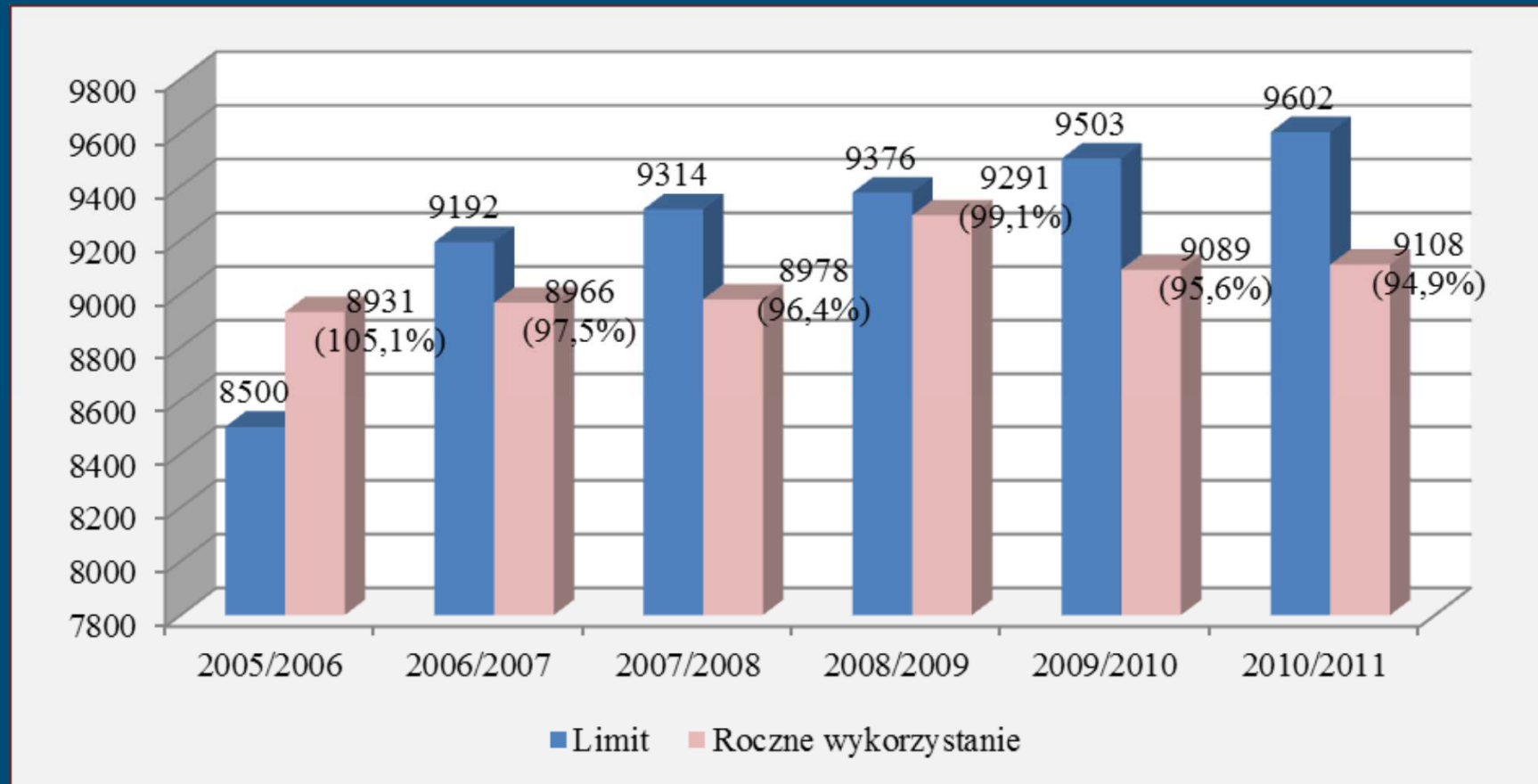


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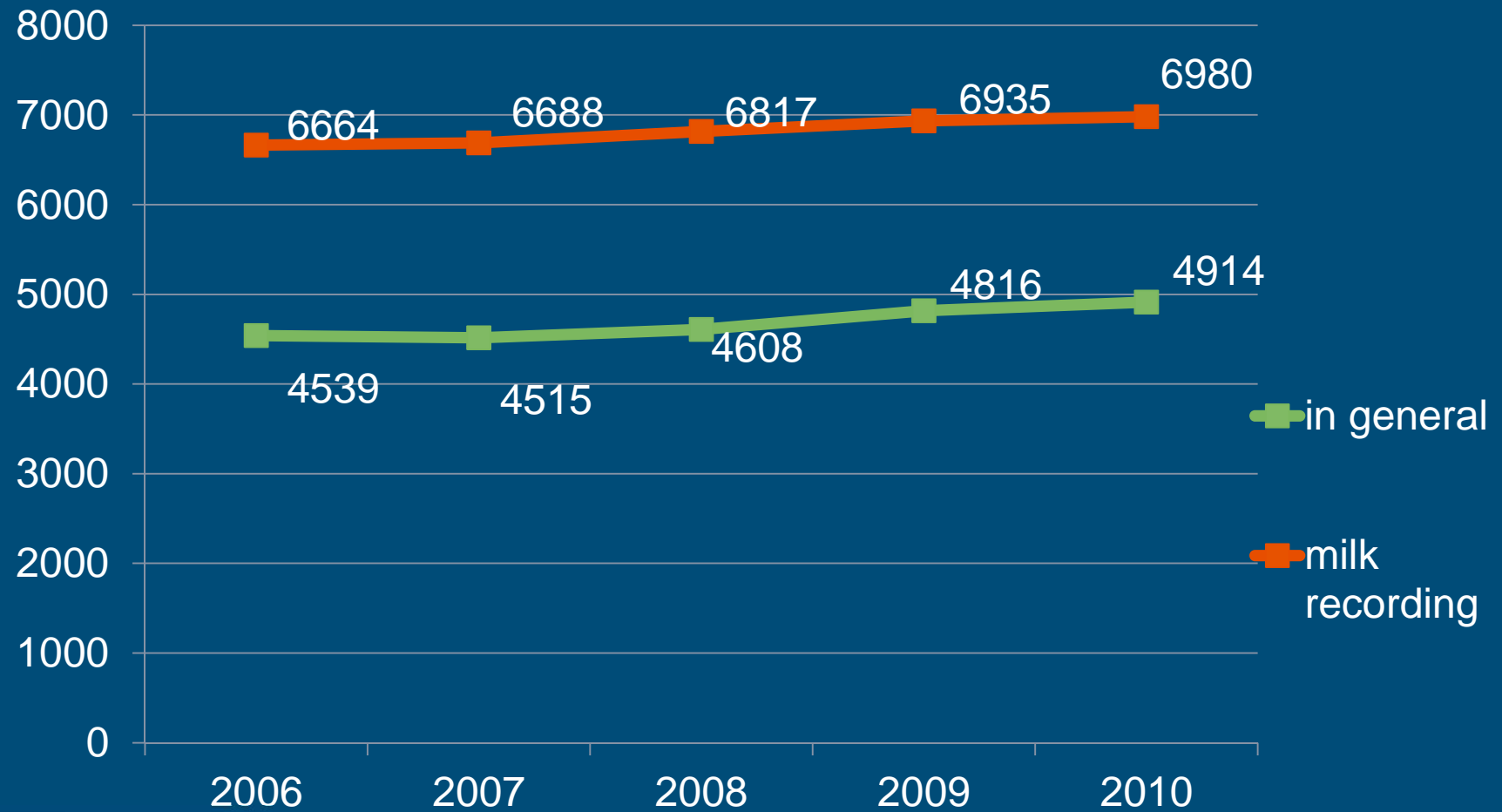
Milk production vs market deliveries (in mln liter)



Milk quota utilisation



Milk yield in general and in farms under milk recording



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Developments in dairy in Poland

- Decline of number of farms by **54.7%** (2004 – 2010)
- Average production per a farm delivering to processing has increased by **255%** (2004 – 2010)
- Small scale – still 55% of farms are less than 10 cows
- Total national milk production at same level (11,5 m Kg including 9,5 m kg delivered to the market)
- 203 processors – ca 70% cooperatives
- Increasing mechanisation and automatisisation
- 22% of milk production is exported



Milk purchase prices 2004-2010



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◆ price in EUR per 100kg

National consumption of animal products in 2011

Product	liter or kg per capita
Milk	193,0
Butter	4,3
Beef meat	1,2
Poultry meat	18,1
Pork meat	16,2



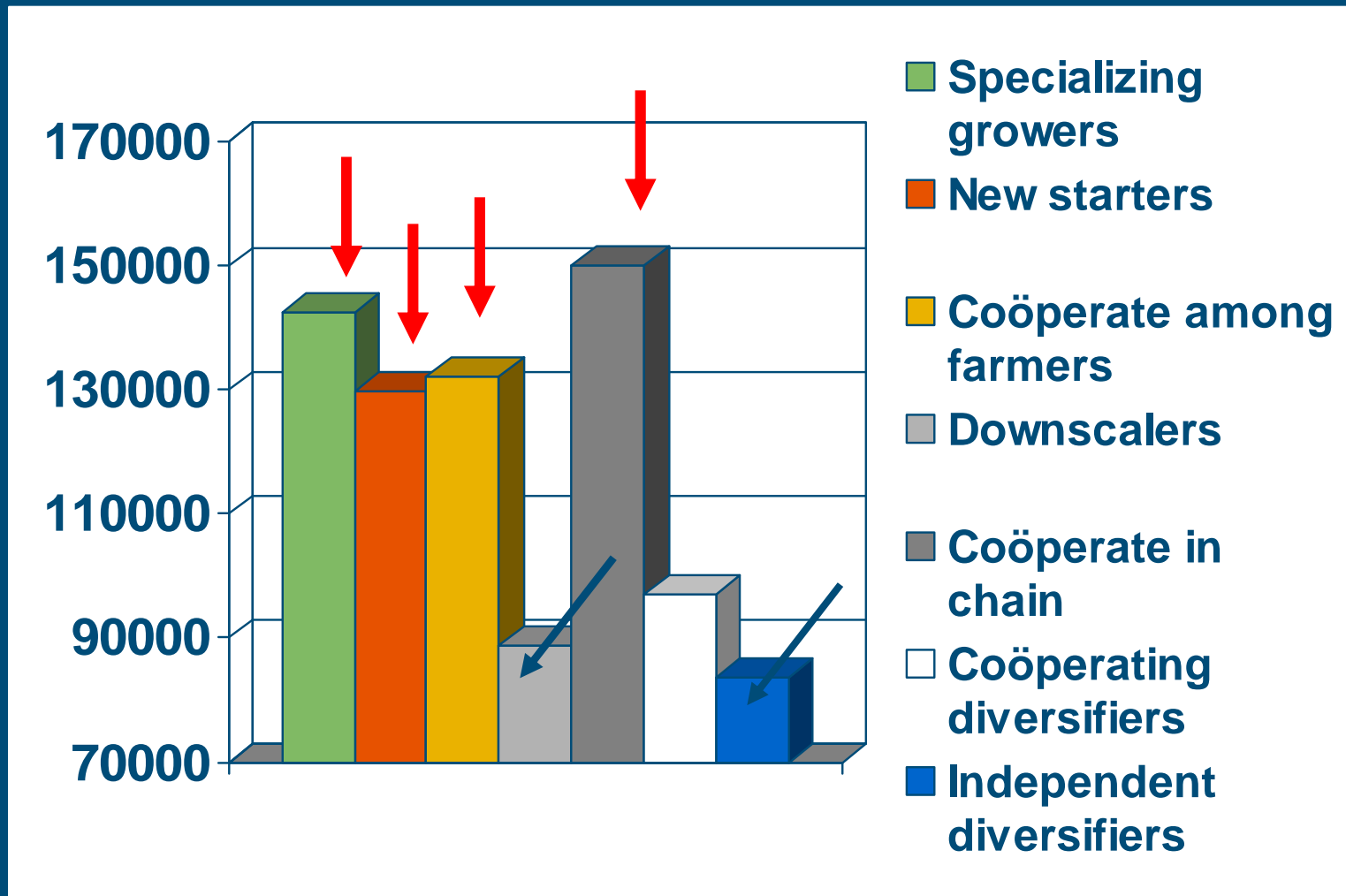
Development paths of dairy farms – results of the survey

- Survey in June 2011 with 339 dairy farmers in Mazovia Region (about 1% of reg. population)
- Stratified random sampling procedure according to the size structure of milk quota per farm.

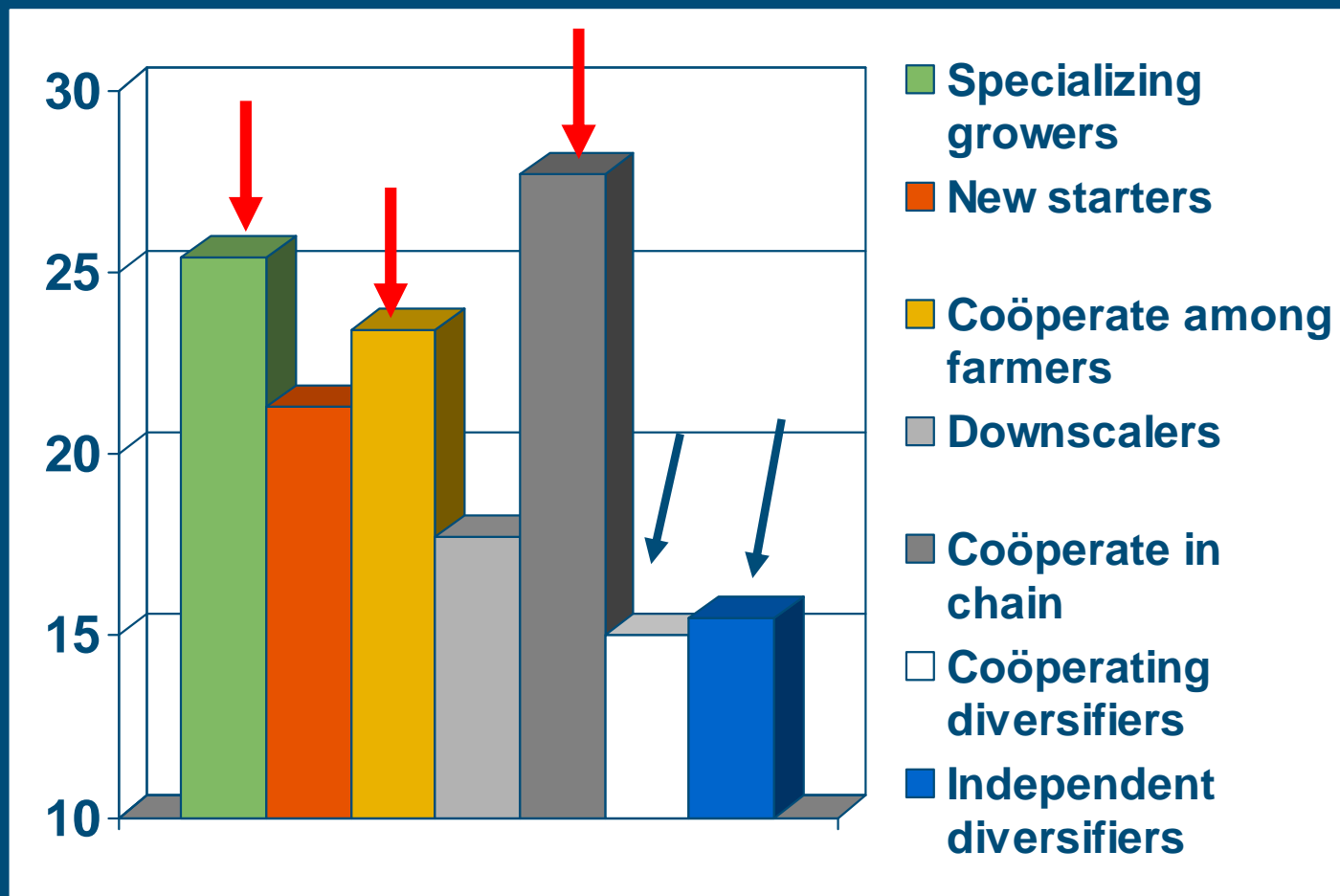
Farm strategies Categories.....after applying Principal Component Analysis and cluster analysis (% of farms)

	Lithuania	Poland	Slovenia
Specializing growers	43	46	31
Down- scalers	19	10	10
Independent Diversifiers	16	4	13
Cooperate among farmers	8	15	15
New starters	7	5	6
Cooperate in the chain	4	19	14
Cooperating diversifiers	3	1	12

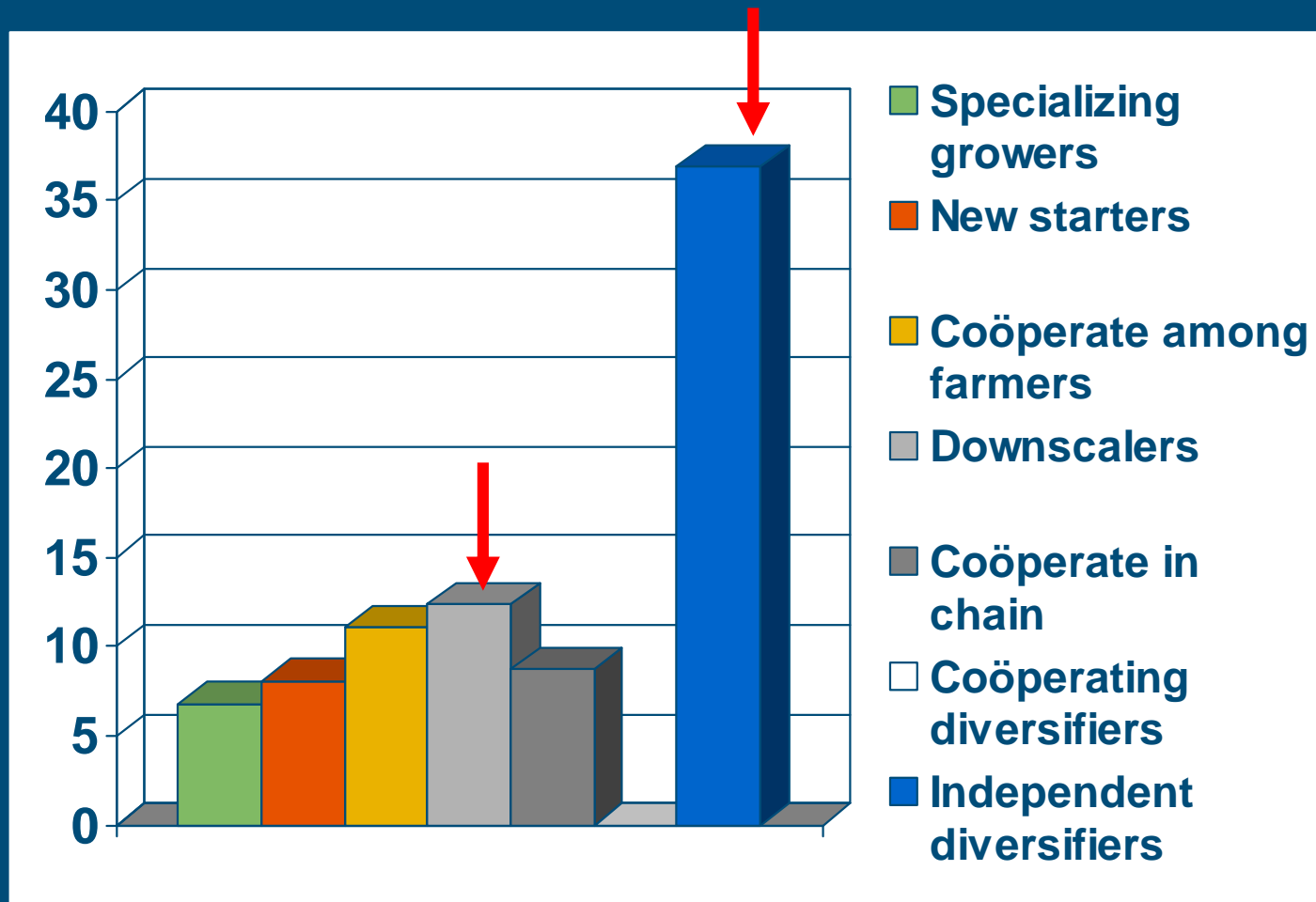
Specialising-growers and cooperating had significantly higher milk quota



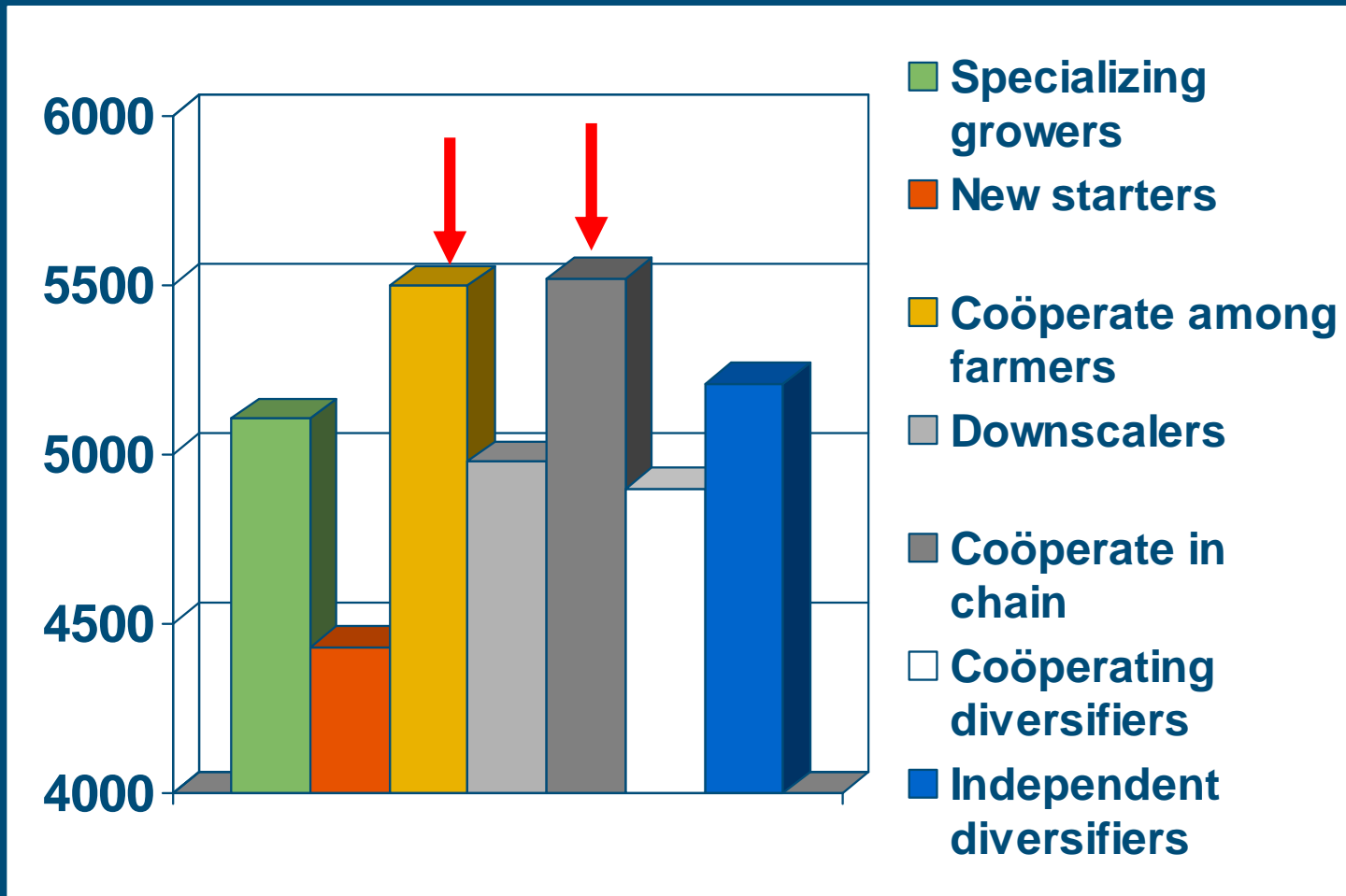
Average number of dairy cows 2010



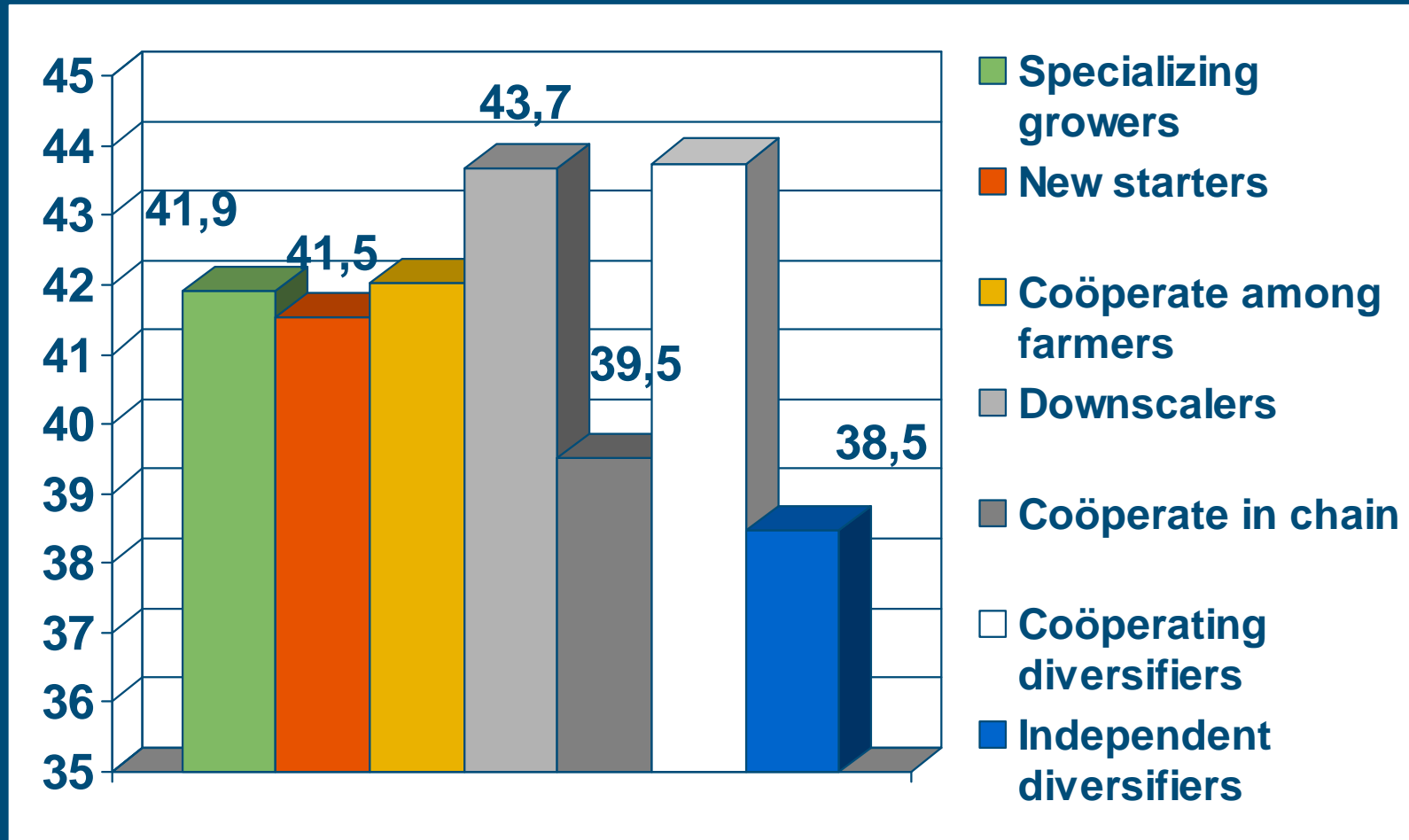
Average number of pigs 2010



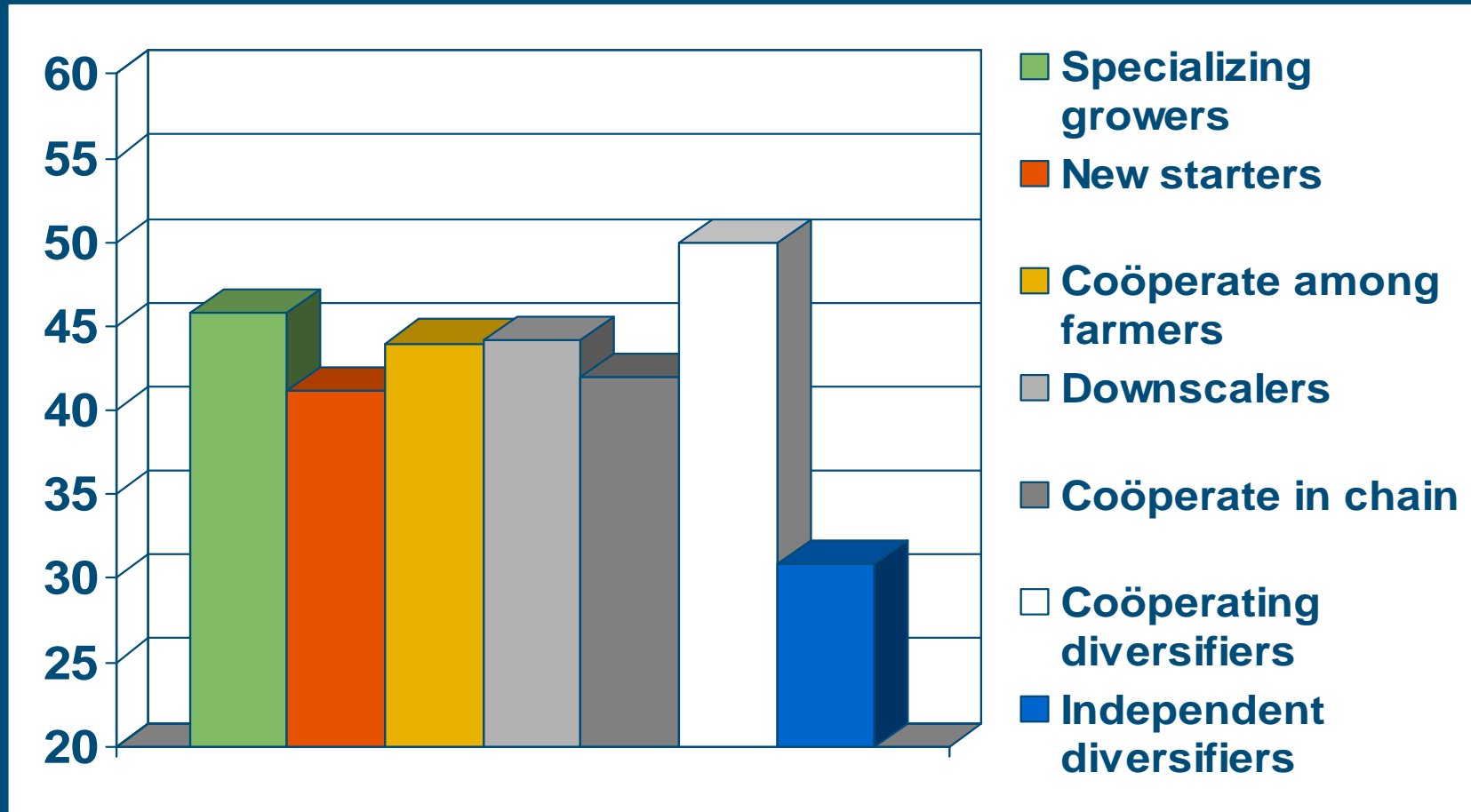
Average milk yield per cow in 2010



No significant differences in the average farmer's age per category

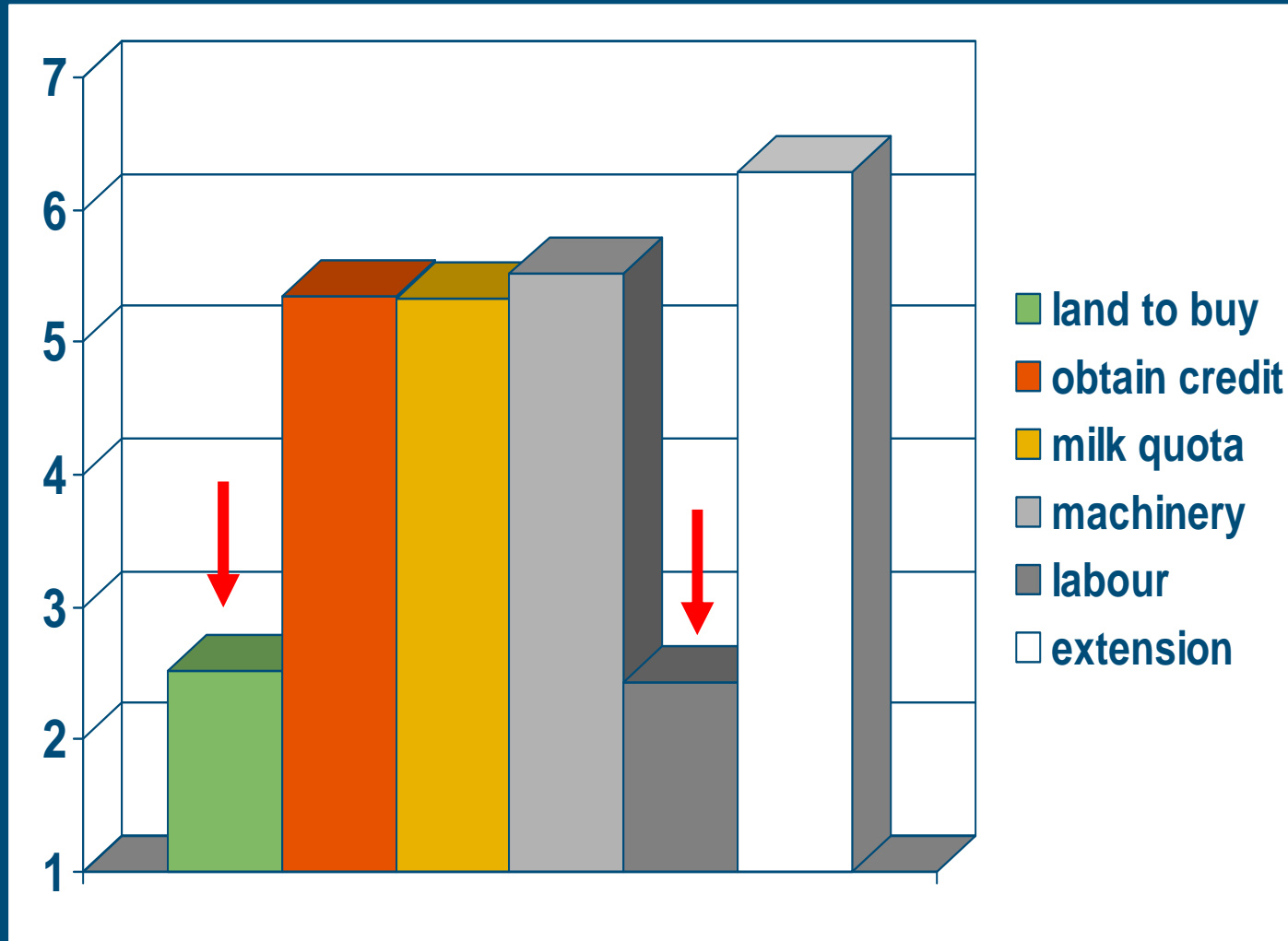


Successor (% = yes) *corelated with age*



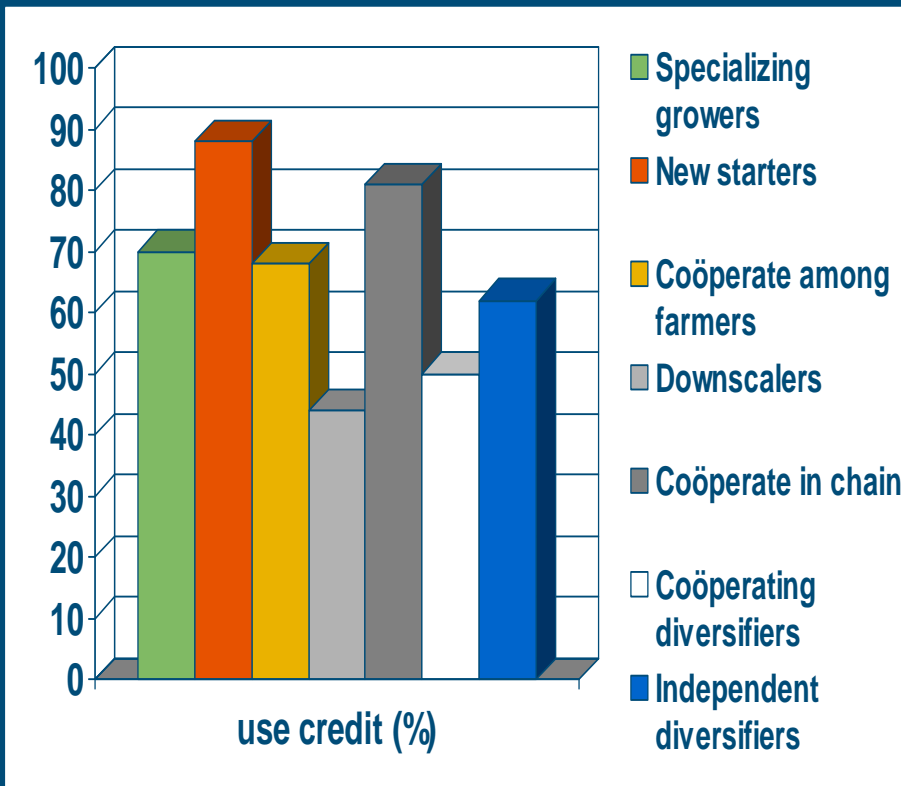
Availability of resources (general)

1-very difficult; 4 neutral; 7-very easy to obtain

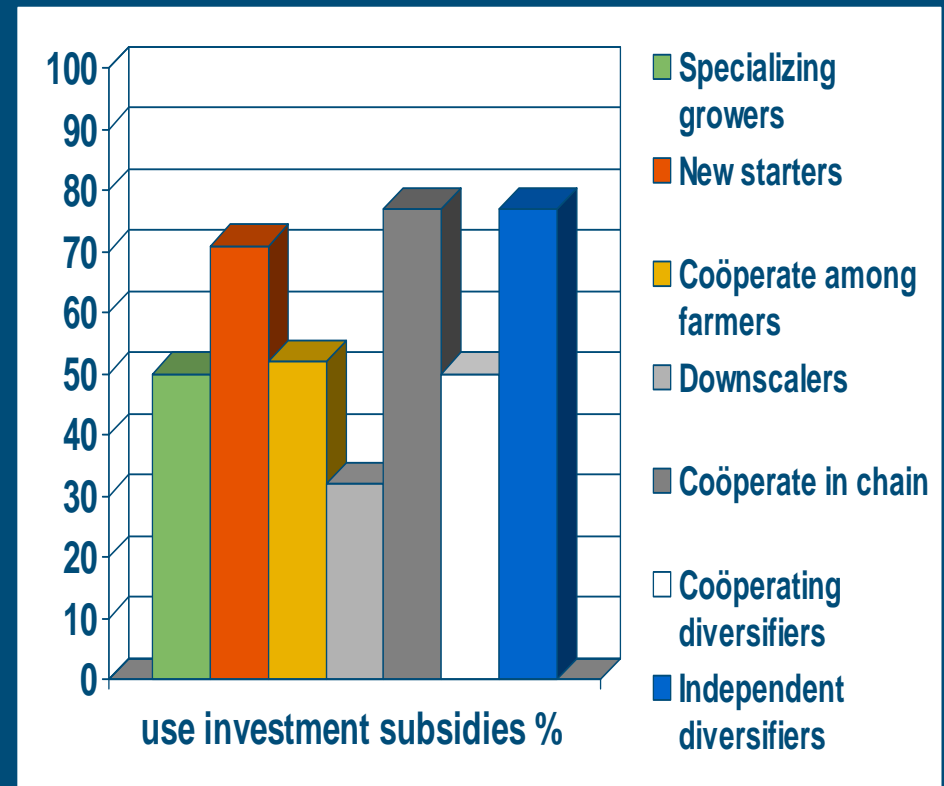


Financing investments...

Have credit = 68%



Use investment subsidies = 57%



Summary

- Main focus of development of dairy farms is: increasing production and specialisation
- Diversification and downscaling mostly in smaller farms (less than 20 cows)
- Financing investments from external resources (credit/subsidies)
- Main constraints of development are availability of land and qualified labour (also seasonal)
- Almost Not present focus on organic farming, direct sales and on-farm processing.