

**FAO/EAAP Cattle Commission and CEEC Working Group
Symposium, 30.08.2012, Bratislava**

**Efficiency, competitiveness and structure of
ruminant husbandry in Eastern Europe and
Western Balkan**

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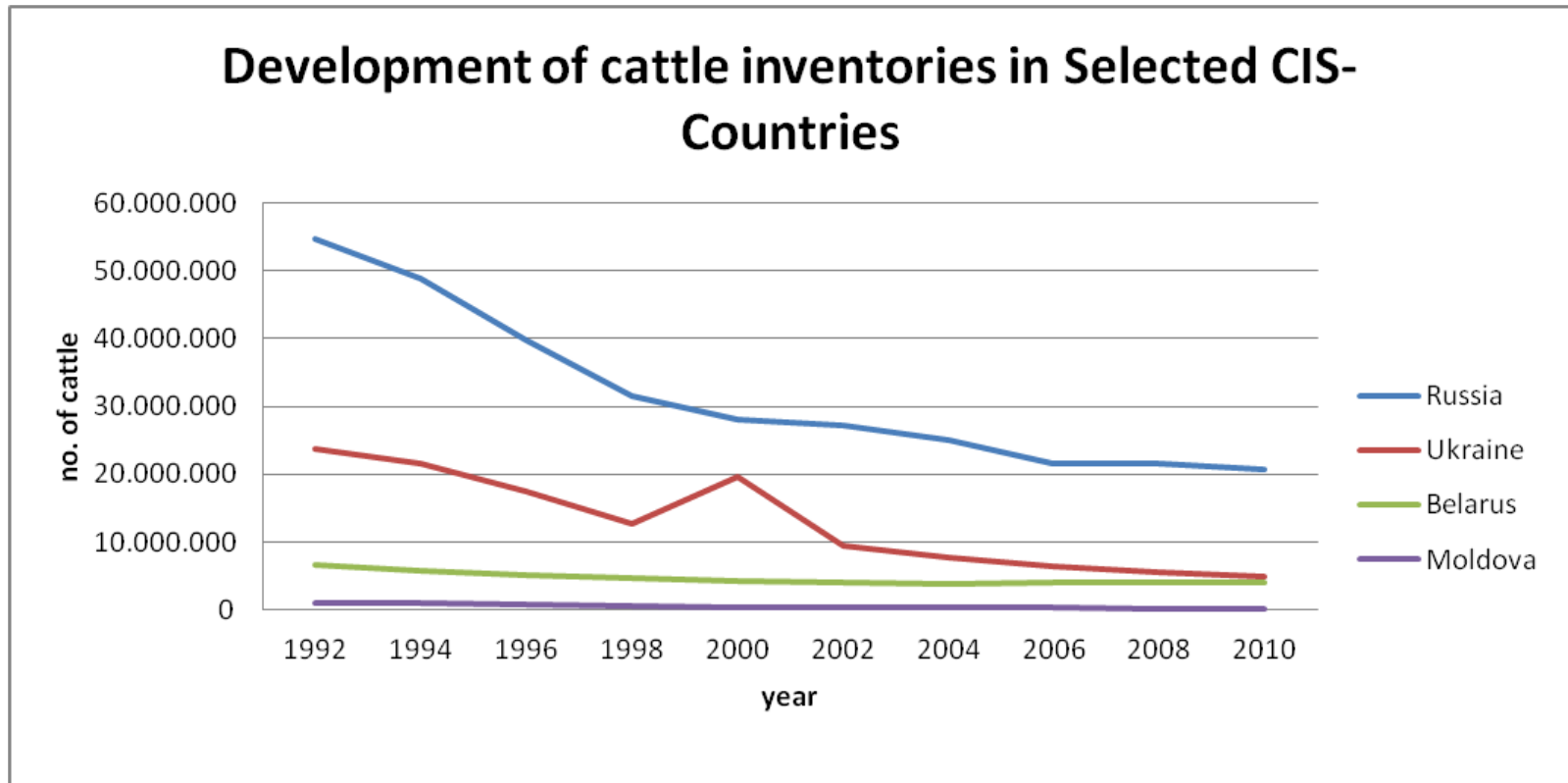


Topics

1. Structure of ruminant husbandry in the target regions
2. Recent development trends and observations
3. Efficiency, competitiveness and production parameters
4. Constraints, challenges and opportunities

1. Structure of ruminant husbandry in the target regions

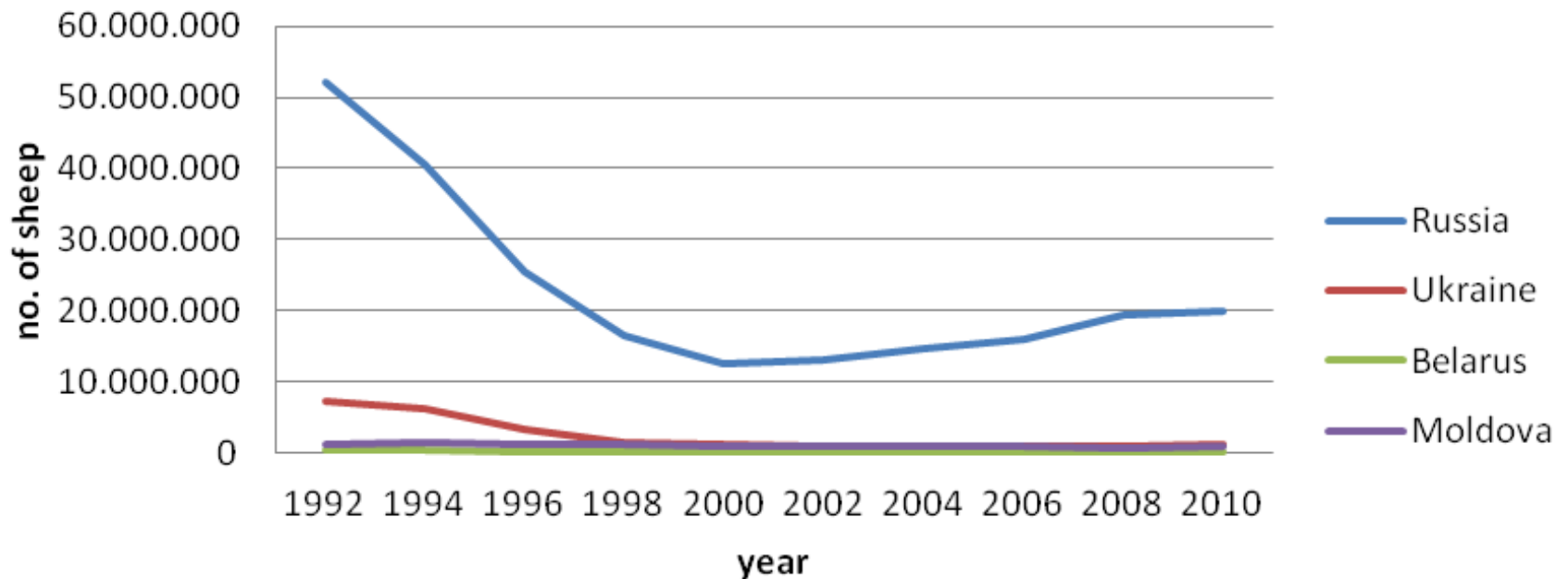
Ruminant husbandry in Belarus, Russian Federation, Ukraine and Moldova



Source: FAOSTAT 2012

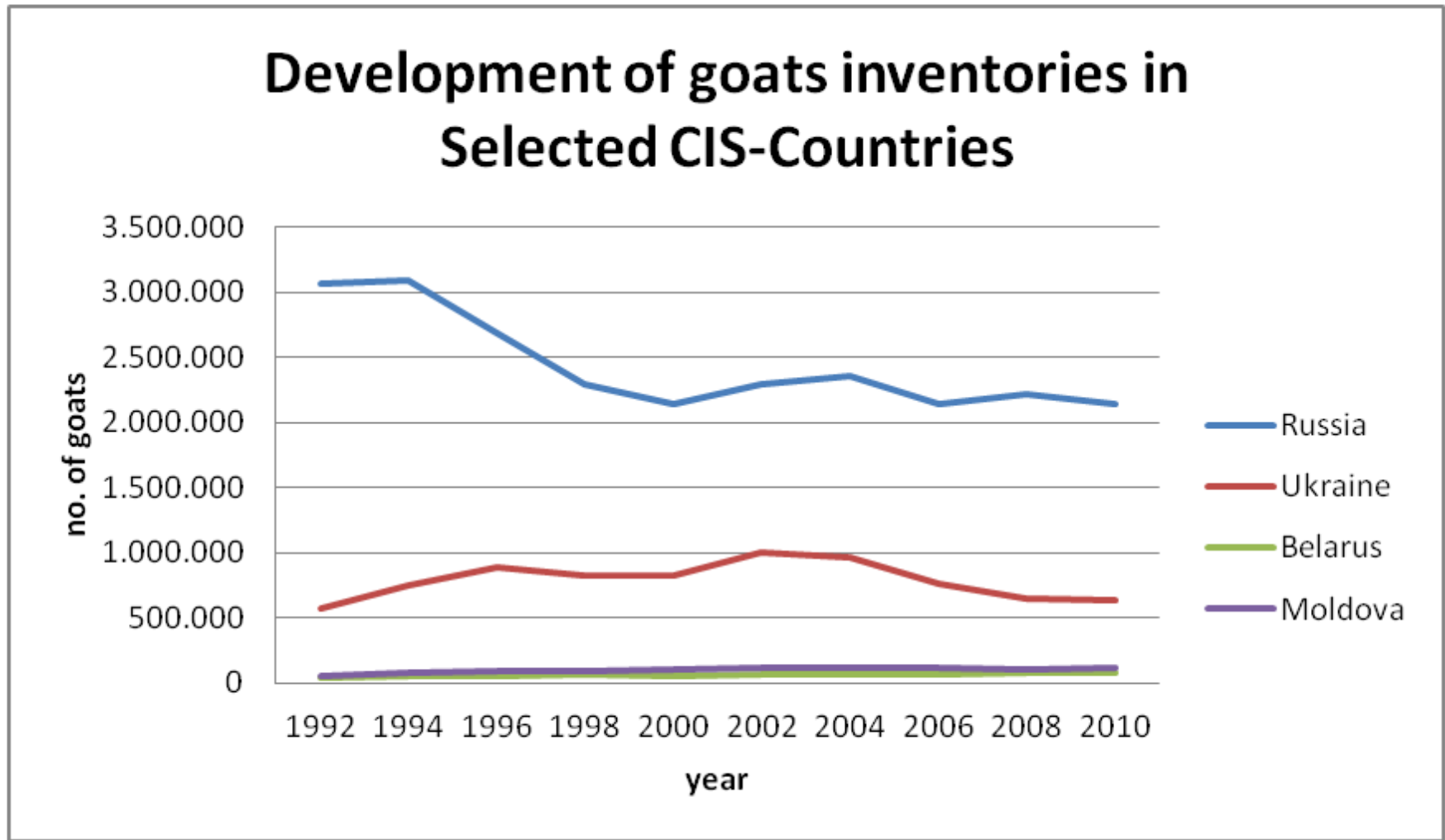
1. Structure of ruminant husbandry in the target regions

Development of sheep inventories in Selected CIS-Countries



Source: FAOSTAT 2012

1. Structure of ruminant husbandry in the target regions



Source: FAOSTAT 2012

1. Structure of ruminant husbandry in the target regions

Changes in meat and milk production structure – (example RF)

Share of Meat Production in different Organization Forms of the Total Meat Production (Russia)

(incl. Poultry)

Type of Farming	Year	2006	2011
Peasant farms		2.8%	3.4%
Household meat production		50.3%	36.2%
Animal production in corporate farms		46.9%	60.4%

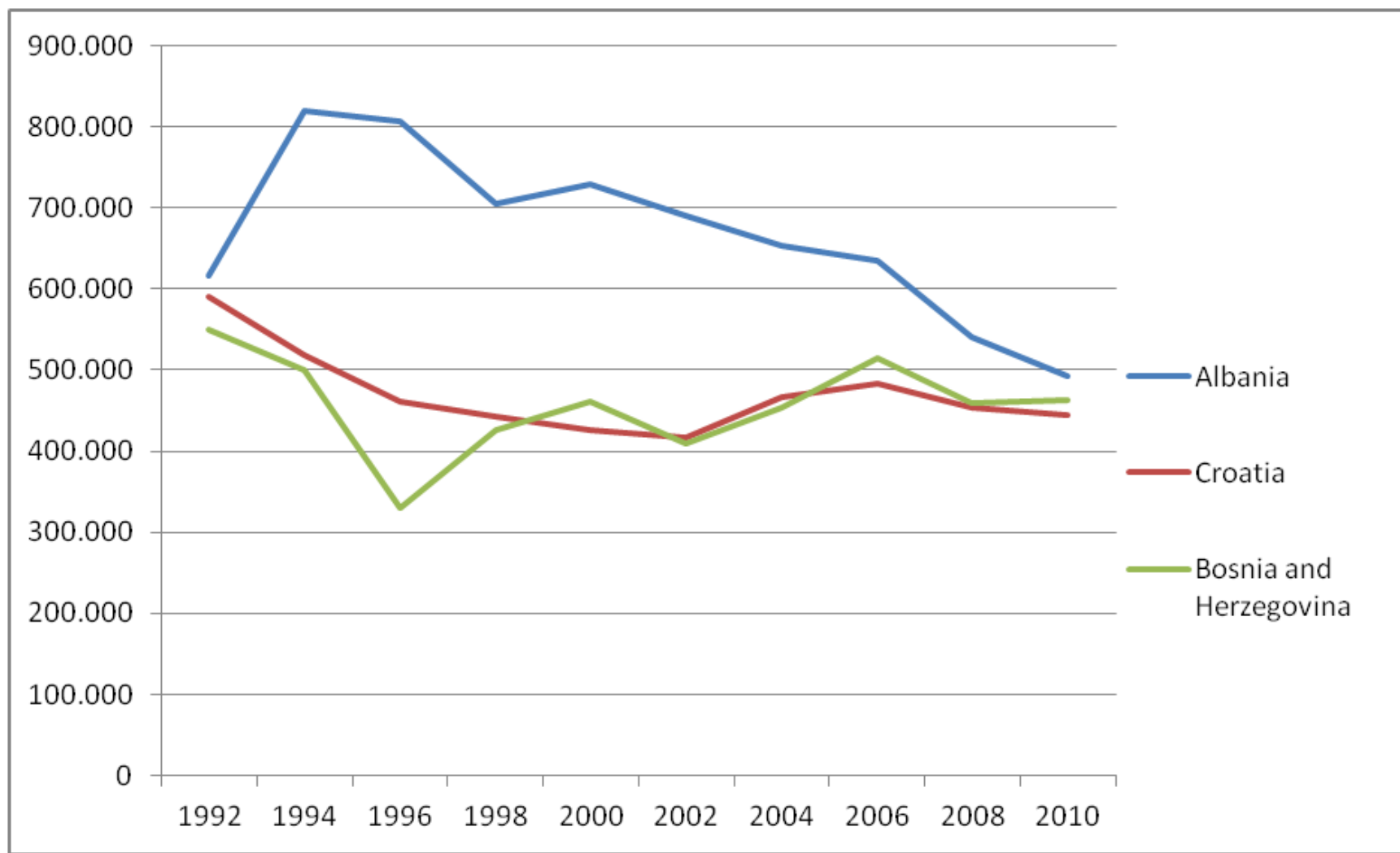
Share of Milk Production in different Organization Forms of the Total Milk Production (Russia)

Type of Dairy Farming	Year	2006	2011
Peasant farms		3.6%	4.8%
Household milk production		51.3%	49.7%
Milk production in corporate farms		45.1%	45.5%

Source: ROSSTAT

1. Structure of ruminant husbandry in the target regions

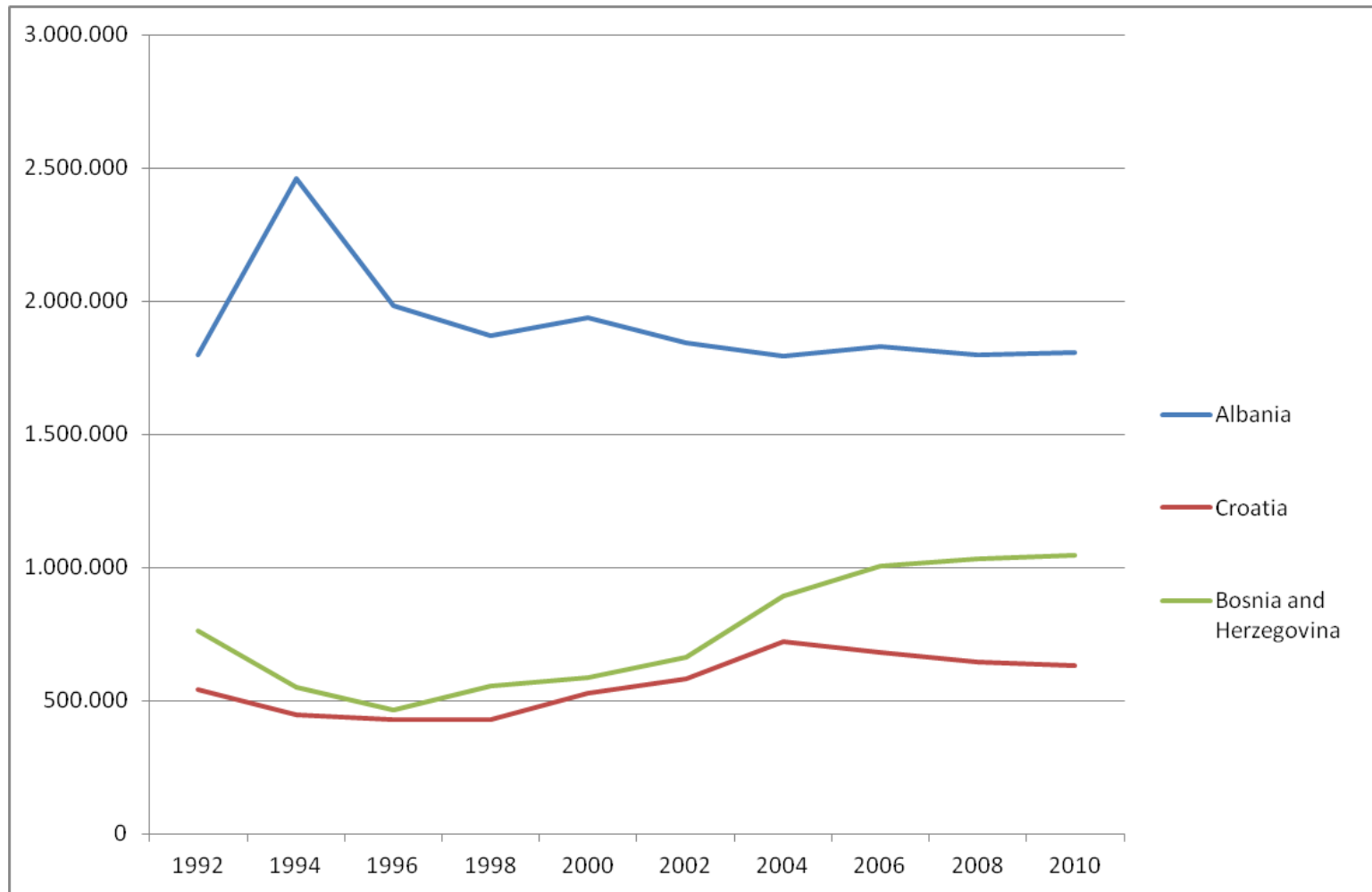
Development of cattle inventories in selected Western Balkan countries



Source: FAOSTAT 2012

1. Structure of ruminant husbandry in the target regions

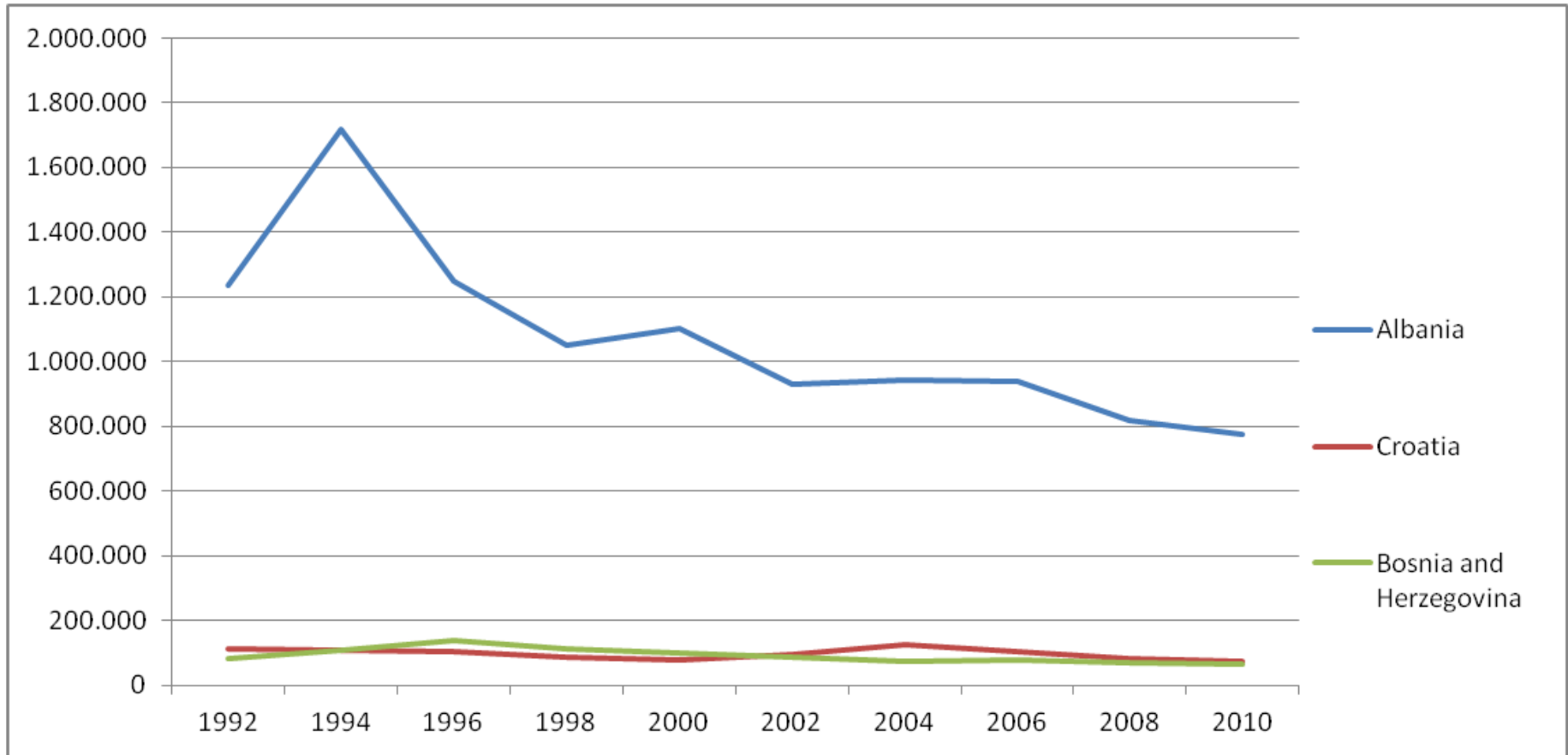
Development of sheep inventories in selected Western Balkan countries



Source: FAOSTAT 2012

1. Structure of ruminant husbandry in the target regions

Development of goats inventories in selected Western Balkan countries

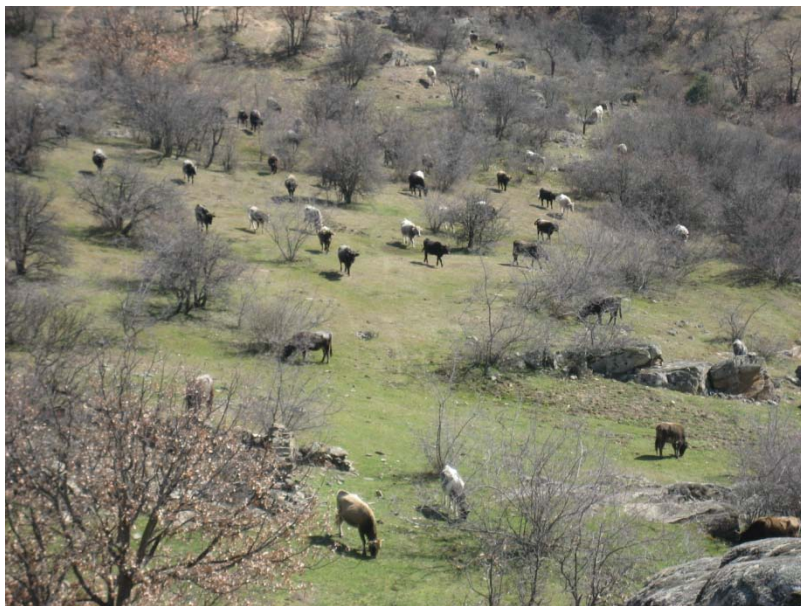


Source: FAOSTAT 2012

Pictures from ruminant farming in Western Balkan Countries



Pictures from ruminant farming in Western Balkan Countries



Selected CIS-countries

- **Since a couple of years significant investments in modernization of animal production in Russia und Ukraine (Belarus started earlier) and with regard to ruminants particularly in cattle (milk and beef)**
- **Several large milk complexes established** (new or reconstruction, often free stall barns with modern milking parlor, dairy units of 400 – 5,000 cows/farm)
- **However still > 85% of dairy cows in RF are kept in old buildings** (tie-stalls, simple milking pipelines or hand milking in households)
- **Local population with high income are demanding more and more high quality milk and meat products and broad variety** (-> product diversification, raw milk quality and quality of slaughter animals become more important)
- **Ruminant husbandry is still very important for many rural families to survive with low pensions and salaries**
- **Stabilization of ruminant inventories can be observed** (Russia, Ukraine...)

Selected CIS-countries

- **Stabilization of farm gate prices for milk and meat**
- **Daily (milk) production quantity and quality have significant impact on farm gate prices due to relative high milk collection costs** (long distance to processors in rural areas, little alternatives to sell products close to the farm location)
- **Slightly improvement of forage production management, fodder quality and feeding management in farms with good management**
- **Still high potential to improve production efficiency through better farm management**
- **New WTO members** (Moldova 2001, Ukraine 2008, Russia 2012)
- **New Customer (Trade) Union** (RF, KAZ, BR)

2. Recent development trends and observations

Pictures of some modern dairy farms in Russia and Ukraine



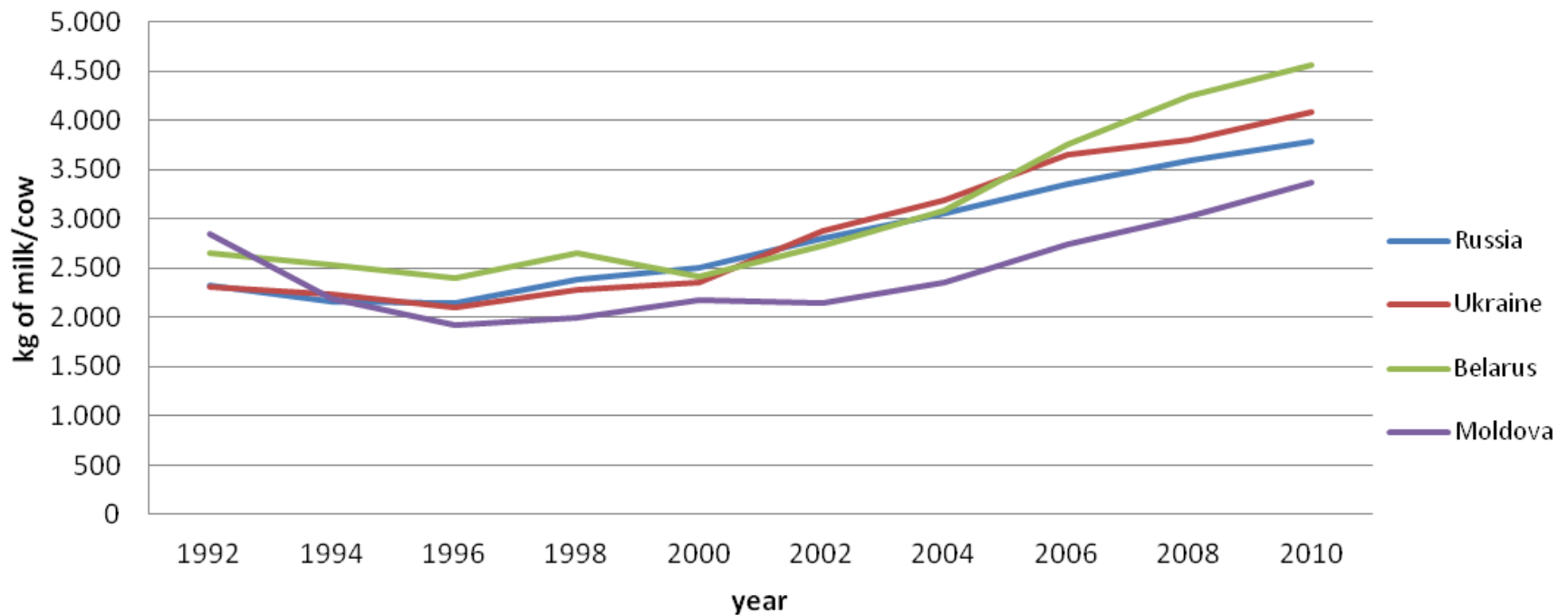
2. Recent development trends and observations

Pictures of some modernized dairy farms in Russia



3. Efficiency, competitiveness and production parameters

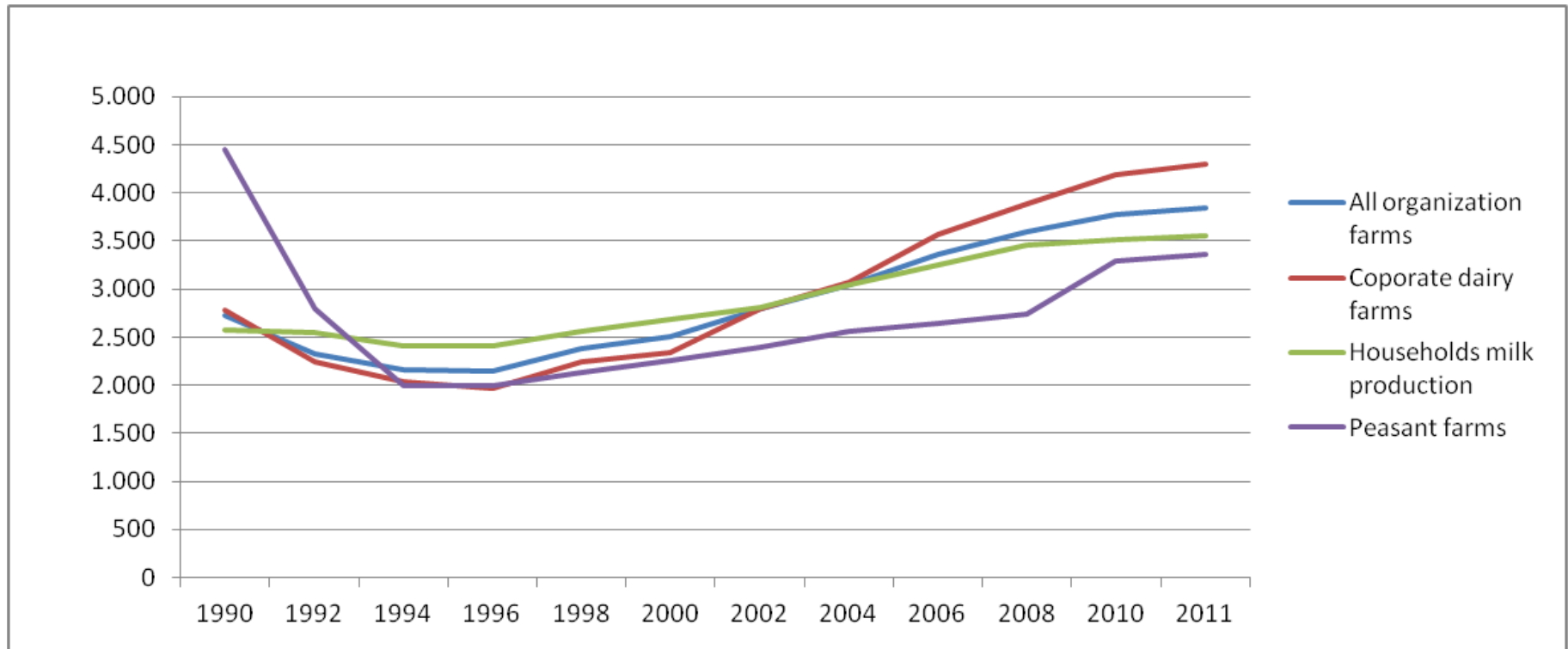
Development of milk yield per cow/year (kg) in selected CIS-Countries



Source: FAOSTAT 2012

3. Efficiency, competitiveness and production parameters

Development of milk yield per cow/year by organization form of dairy farming in Russia



Source: ROSSTAT 2012

3. Efficiency, competitiveness and production parameters

- **Important parameters with impact on competitiveness are:**
 - Annual yield per animal (long winter period requires solid barns in many locations of the Northern CIS-countries)
 - Quality and costs of forage, pasture and other feeding stuff
 - Conversion of feed energy for milk or meat production
 - Animal health situation and reproduction parameters
 - Overall farm organization and management (i.e. staff/100 animals)
 - Labour costs and costs for buildings and equipment (per unit marketed milk, meat or wool)
 - Product quality and product prices (quantity, market access)
- **General observations:**
 - Significant differences between livestock farms, even at the same location

➤ **Constrains and challenges in selected CIS-countries**

- Large corporate farms have often problems to keep qualified staff who are willing to live in (remote) rural areas with good natural conditions for ruminants
- Overall infrastructure and service structure for livestock farms is sub-optimal, in particular for peasant farms
- Professional education and vocational training system for practical agriculture/ livestock farm management is more or less absent
- Training and information centers and livestock advisory services are rare

➤ **Opportunities**

- General good natural conditions for milk production
- Large areas with pasture
- Domestic markets demanding milk and meat
- Support programmes in Russia for investments in livestock sector

➤ **Constraints and challenges in Western Balkan Countries**

- Structure: many small farms and small plots
- Strong decline during last years in cattle, sheep and goats population
- Milk and meat processing industry are in several locations not very well developed which has impact on farm gate prices (low capacities of processors)
- Livestock farmer organizations and services need further development

➤ **Opportunities**

- Livestock sector has long tradition, particularly rearing of ruminants
- EU accession perspective / IPARD / Agri-Environmental Measures
- Programmes to preserve traditional animal breeds
- Domestic and export markets for products from ruminants
- Serbia and Croatia beef production with maize



**Thank you for your
attention!**

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