European Dairy Association

Dairy Focus 01/2015

Latvian EU Presidency

connect to the world of dairy

Foreword

Dairy Focus Latvian EU Presidency

Having joined the Eurozone in 2014, Latvia will – for the first time in its history - hold the rotating Presidency of the Council of the European Union in the first half of 2015, when the EU milk quota will come to an end.

With the Lisbon Treaty in 2010 the 'trio principle' was established for the set-up of the Presidency's' political program: the work program is elaborated by three succeeding countries. Latvia therefore had aligned its priorities with Italy and Luxembourg.

From the country of the famous Jāņu siers cheese, we can expect continuity in most if not in all policy sectors and – for the dairy sector – a very constructive and pragmatic approach.
The Presidency is an opportunity for every member state, regardless of its size, to shape the EU agenda and to focus on the political attention of the EU institutions on specific items – the impact of the Russian embargo on the EU agriculture and on the dairy sector might become an even more importantly positioned topic.

The Presidency organises and provides leadership to the EU institutional leadership as well as thought leadership. The Latvian Presidency has scheduled around 200 events at different levels in Latvia and around 1500 (sic!) meetings will be held in Brussels and Luxembourg during the first half of 2015.

With the new European Parliament, the EU Commission (where Latvia plays an important role, since former Latvian Prime Minister Valdis Dombrovskis has been appointed Vice President of the EU Commission) fully operational and the multi-annual financial framework 2014-2020 in place, the Latvian Presidency can concentrate on the future challenges.
Our discussions with the Latvian Presidency have clearly shown, that agriculture and dairy is high on their agenda - together with our EDA member, the Latvian Dairy Committee in Riga, we are looking forward to helping the Latvian EU Presidency to assure a smooth transit to the new milk quota-free era.

Connect to the world of dairy!

Michel Nalet
EDA President

Alexander Anton
EDA Secretary General

The Latvian Presidency of the Council of the European Union

The Latvian Presidency of the Council of the European Union will occur during the first 6 months of 2015. When Latvia joined the EU, it became a part of the EU decision making process and by taking on the presidency Latvia shows its willingness and readiness for governance at the highest level of the EU.

The three fundamental principles of the Latvian Presidency working program are: involvement, growth, sustainability. The Latvian presidency has set also three priority directions that embody the principles already mentioned:

- Competitive EU as a base for growth, improvement of life quality and investment in the future development;
- Strengthening the information society and the use of its possibilities for EU's future development;
- Strengthening the role of the EU on a global scale, creation of well-being and of a security space at EU neighbouring regions.

Hence, the Latvian Presidency, within the spheres of competence of the Ministry of Agriculture of Latvia, will turn the attention towards improving the EU food sector's competitiveness, emphasizing the importance of sustainable and responsible forest management and highlighting responsible, sustainable and cost-effective fisheries resource management, while reinforcing the regional aspect and an individual approach.

The Latvian Presidency priorities in the field of agriculture/fisheries/food/ forestry/animal health

- Agriculture, animal and plant health: improvement and enhancement of competitiveness of the EU's agricultural production and food sector in the EU and on the global market (sustainability);
- Forestry: sustainable forest management model based on the experience of EU Member States (sustainability and green growth);
- Fisheries: sustainable management of fisheries resources – multi-annual fisheries management plans and fisheries control (sustainability and growth).

the Latvian Presidency priorities in the field of agriculture/fisheries/food/ forestry/animal health

Agriculture
- Aid scheme for the supply of fruit and vegetables, bananas and milk in educational establishments;
- Regulation on organic production and labelling of organic products;
- Simplification of Common Agricultural Policy.

Fisheries
- EU system for fisheries controls, reviews and possible amendments;
- Multi-annual fisheries management plans;
- Fisheries partnership agreements with non-EU countries.

Forestry
- United Nations Forum of Forests – UNFF, New York.

Veterinary, phytosanitary field, food safety
- Animal and Plant Health Package: "Smarter rules for safer food", that consists of 5 legislative proposals on official controls, animal health, plant health, seeds and promotional materials;
- Legislative proposals on animal welfare, animal feed, novel foods, etc.

International dimension
- United Nations Forum of Forests – UNFF 11th session, May 4-15, New York;
- (possibly) World Trade Organization, renewal of Doha Round activities;
- Activities in the framework of Eastern Partnership countries; consultations on cooperation and education of farmers.

Latvian Presidency
of the Council of the
European Union

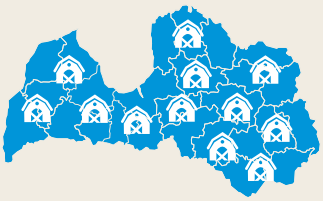
Provisional list of meetings/ cenferences/seminars organized by the Latvian presidency

- Informal Agriculture and Fisheries Council;
- Special Committee on Agriculture;
- Meeting of Chief Veterinary Officers (CVO);
- Informal meeting of Directors General for Fisheries and Fisheries Attachés;
- Meeting of Chief Plant Health Officers (COPHS);
- Rural Development Directors Meeting;
- Conference of Directors of EU Paying Agencies;
- EU Forest Directors Meeting;
- Meeting of the European Seed Certification Institutions;
- Meeting of Experts on Agriculture, Forestry and Other Land Use (AFOLU);
- Seminar “Biosafety as Guarantee for Animal Health”;
- Organic Farming Congress “Perspectives of Organic Farming after 2030”;
- Conference “Rural Advisory System: Best Practices and Experience”.

Latvian ministry of agriculture

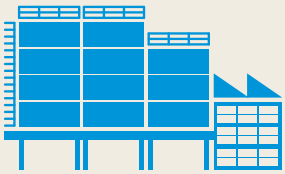
The Latvian dairy sector in numbers

22 917
milk producers



Number of dairy cows
165.000
Average herd size
7.2 dairy cows

44
dairy companies



TOP 5 EXPORT MARKETS

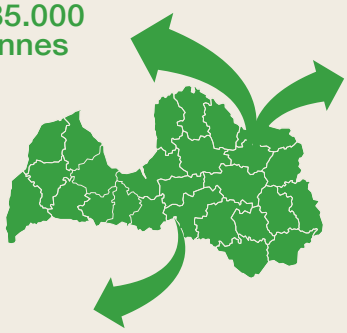
1. Lithuania
2. Germany
3. Russia
4. Estonia
5. The Netherlands

5.508 kg
Average yield of milk per cow (per year)

TOTAL TURNOVER

Share of the dairy sector in the Latvian export **11%**

Export turnover of
235 million € and
335.000 tonnes



THE MAIN PRODUCTS

cheese, butter, sour cream, pasteurised milk, cottage cheeses, whey powder

Introduction to...

The Presidency of the Council of the European Union will be an important period for Latvia, as the fundamental values of Latvia and the EU – involvement, growth and sustainability – will be set as guiding principles. This period for Latvia is also important symbolically, because it has experienced both political and economic transformation processes in a comparatively short period of time, what also had shaped the dairy sector to its present form and content.

The dairy sector in the EU is also experiencing transformation, because the milk quota regime will be abolished on 31 March 2015, so there will be no restrictions regarding raw milk production and this market will develop according to the principles of the free market. Latvia, like most of the EU member states, is satisfied with such decision and fully supports it.

Latvia has always supported and will support the common policy of the EU, and currently Latvia stands for support and stabilization of the dairy sector in the countries that have suffered the most from the Russian ban on food imports, because these trade limitations are not only affecting the dairy sector alone, but also have indirect impacts on other spheres as well.

Economic growth in the EU has slowed down, and it is important to stimulate the economic recovery from the global financial crisis according to the principles of fiscal policy.

Dairy companies from the EU are competing with companies from USA, New Zealand and Latin American countries in the global market, and further investments and EU support will strenghten their positions.

Another aspect of transformation is related with the Russian ban on food imports, what refers to the dairy products as well, and may result in a loss of an important export market. These restrictions already had a negative impact on the export and this situation has affected most of the EU member states. However, dairy sectors in the Baltic states (Latvia, Lithuania and Estonia) and Poland were hit the worst as Russia had a significant share in the export of the previously mentioned countries. It is obvious that further production of raw milk under such circumstances in a long-term perspective is not effective, so this problem requires immediate solution to avoid closures and bankruptcies of producers.

... the Latvian dairy sector

by Jānis Šolks

Chairman of the Board vof the Latvian Dairy Committee, Riga

Possible solutions include short-term and long-term perspectives which will contribute to the promotion of sustainability of the dairy sector. Short-term solutions include national and EU support instruments, while the long-term perspective is diversification of the export markets, thus minimizing further risks. It is clear, that each member state will primarily support their dairy companies in the case of crisis, so another solution that will satisfy all member states is needed. Diversification of export of the dairy products to markets of the third countries has been set as one of the priorities of the Latvian presidency, and complex support for this activity in the EU level will have a positive impact already in a mid-term perspective.

The dairy sector is the second largest food processing industry in Latvia with the share of 21%, which is very close to the leading position. At the same time raw milk production forms 20% of the primary production of agricultural products, which shows the importance of the sector in the Latvian economy and a relative balance in the whole dairy sector.

There are almost 23.000 raw milk producers, but their number is decreasing, while the average herd size and average yield of milk per cow is increasing, and such trends of development are expected to continue over the next years as well. Although average yield of milk (5 508 kg) is lower than average in the EU, it is increasing rapidly and we expect to achieve an average EU level (around 7 000 kg) soon. Raw milk producers have developed modern farms with the support of EU funding and co-financing of national funding. Raw milk production, according to the EU rules, is limited by the quota system, however, available resources theoretically allow to increase the total amount of production, but this will not be done because of the Russian ban on EU food imports. Organic farming is gradually increasing its share in the dairy sector, and currently 7,6% from the total amount of raw milk production is supplied by officially recognized and certified organic farms.

Latvian dairy companies collect 62% of the raw milk produced in Latvia, while the rest is collected by cooperatives. As the Latvian raw milk market is fully integrated in the Baltic market, a part of the production is exported to the other Baltic countries, and a certain amount of raw milk is imported according to principles of the free market.

Raw milk and dairy product quality control is an essential part of the dairy industry to guarantee the highest quality of the products. We can proudly say that the raw milk produced in Latvia is of high quality which has been proven by independent quality control laboratories. Besides, dairy companies have their own self-control system to secure the highest quality of their products. These laboratories conform to the principles of HACCP, EU and national standards and they implement strict control.

There are 44 dairy companies in Latvia who process most of the raw milk produced in Latvia, and the top 6 largest companies by turnover process more than 80% of the total dairy production. Most important products are various cheeses, butter, sour cream, pasteurized milk, cottage cheeses, whey powder as well as other dairy products. About half of the production is exported, which means that the dairy sector in Latvia is integrated in the global market and its development is closely related with the global trends.

The development of the Latvian internal market of dairy products shows gradual increase which is related with the growth of wealth and growth of average consumption of dairy products. The Russian ban on food imports also made some corrections to the local market in Latvia, because prices for dairy products have decreased from 5% till 30% in different positions. Decreasing prices have stimulated demand for dairy products, and Latvian dairy companies have increased their share in the local market for 5% during a couple of months, although import of dairy products also experienced gradual growth.

Milk, Dairy & EDA

What you should know about milk and dairy products

Milk is the basis of thousands of nutritious, tasty, enjoyable and healthy dairy products, as part of a sustainable diet

Milk is a highly nutritional food product combining high nutrient density with high quality protein

Milk and dairy products are safe and natural products made to the highest processing standards

What you should know about the EU milk processing industry

The EU milk processing industry - employing more than 300.000 people across Europe - offers everyone, every day, a broad and diversified choice of natural, nutritious, healthy and tasty food products

The EU milk processing industry has successfully demonstrated its commitment to further reducing its environmental footprint

The EU milk processing industry is an innovative, dynamic and major exporting industry while being the guardian of the EU cultural heritage of dairy

What you should know about the European Dairy Association (EDA)

EDA represents the interests of the whole EU milk processing industry, both of cooperatives and private companies. As a beacon for the dairy industry, EDA provides a platform for discussion and exchange of ideas

EDA voices the priorities of the milk processing industry on an EU level and shapes EU strategies for the dairy sector

EDA is proud of dairy! It conveys the positive image of milk at EU level as being a healthy, nutritious, sustainable and diversified food product/drink

EDA Members

EDA President: Mr Michel Nalet - Lactalis - 10 rue Adolphe Beck - F 53089 LAVAL CEDEX 9, France

National Delegations

Austria

VÖM (Vereinigung Österreichischer Milchverarbeiter)
Friedrich-Wilhelm-Raiffeisen-Platz 1
A – 1020 Wien
www.voem.or.at

Belgium

CBL (Confédération Belge de l'Industrie Laitière)
BCZ - CBL vzw/asbl
Kolonel Begaultlaan 1A bus 11
B - 3012 Leuven - www.bcz-cbl.be

Croatia

Association of Croatian Purchasers & Processors of Milk - CroMilk
Zadarska 80/V,
Zagreb
www.cromilk.hr

Czech Republic

Czech & Moravian Dairy Association
V Olšinách 75
CZ - 100 00 Praha 10

Potravinářská komora České republiky
(Federation of the Food and Drink Industries of the Czech Republic)
Počernická 96/272 - CZ
108 03 Praha 10 - Malešice.

Denmark

Mejeriforeningen
Danish Dairy Board
22 Frederiks Allé
DK - 8000 Aarhus C - www.mejeri.dk

Estonia

Eesti Piimaliit
Estonian Dairy Association
J. Vilmsi 53
EE -10147 Tallinn - www.piimaliit.ee

Finland

Finnish Milk Processors and Dairy Products Wholesalers Association
PO Box 10
FI-00039 VALIO

Finnish Food & Drink Industries Federation,
P.O. Box 115, Pasilankatu 2
FI - 00241 HELSINKI - www.etl.fi

France

ATLA
Maison du Lait
42, rue de Châteaudun
F - 75314 Paris Cedex 09 - www.atla.asso.fr

Germany

MIV (Milchindustrie-Verband)
Jägerstraße 51
D - 10117 Berlin - www.milchindustrie.de

DRV (Deutscher Raiffeisenverband)
Postfach 12 02 20
D - 53106 Bonn - www.raiffeisen.de

Greece

SEVGAP
Hellenic Association of Milk & Dairy Products Industry
21, Agias Sofias Str.
GR - 154 51 Neo Psychiko - Athens

Board Members

Austria

Mr Helmut Petschar - CEO
Kärntnermilch reg.Gen.m.b.H.
Villacher Strasse 92
A - 9800 Spittal/Drau

Belgium

Mr Renaat Debergh - Secretary General - BCZ/CBL
BCZ - CBL vzw/asbl
Kolonel Begaultlaan 1A bus 11
B - 3012 Leuven

Croatia

Mrs Rašeljka Maras - President
CroMilk,
Zadarska 80/V,
Zagreb

Czech Republic

Mr Jan Teplý
Madeta a.s.
Rudoflovská 246/83
CZ - 37050 Ceské Budejovice

Denmark

Mr Jais Valeur - Executive Vice President
Arla Foods Amba - Global Categories & Operations
Sønderhoy 14
DK 8260 VIBY J

Estonia

Mr Aivar Häelm - Chief Executive Officer
OÜ Kiire Trade,
Str Vabriku 1A
EE - 63306 Põlva

Finland

Mrs Riitta Brandt - VP Corporate External Relations
Valio International Ops.
P.O. Box 10
FI - 00039 Valio

France

Mr Olivier Picot - President
ATLA - Maison du Lait
42, rue de Châteaudun
F - 75314 - Paris Cedex 09

Germany

Dr. Josef Schwaiger
DMK Deutsches Milchkontor GmbH
Flughafenallee 17
D - 28199 Bremen

Greece

Vacancy

EDA Members

National Delegations

Ireland

IDIA (Irish Dairy Industries Association)
Confederation House
84-86 Lower Baggot Street
IRL - Dublin 3 - www.ibec.ie

Italy

ASSOLATTE
Via Adige 20
I - 20135 Milano
www.assolatte.it

Latvia

Latvian Dairy Committee
Bauskas iela Nr.180,
LV1004 Riga

Luxembourg

A.L.L. Association Laitière Luxembourgeoise
7 rue Alcide de Gasperi
BP 1304
L - 1013 Luxembourg

Netherlands

NZO (Nederlandse Zuivel Organisatie)
Benoordenhoutseweg 46,
NL – 2596 BC Den Haag
www.nzo.nl

Poland

ZPPM (Zwiazek Polskich Przetwórców Mleka)
Association of Private Dairy Processors
ul. Zlota 59, budynek Lumen, pietro 6
PL - 00-120 Warszawa - www.zppm.pl

KZSM (Krajowy Związek Spółdzielni Mleczarskich)
National Union of Dairy Co-operatives
ul. Hoza 66/68
PL - 00-682 Warsaw - www.kzsm.org.pl

KSM (Krajowe Stowarzyszenie Mleczarzy)
Dairy Technology Diploma Holders Association
ul. Hoza 66/68
PL - 00-682 Warsaw - www.mlekoland.com

PIM – (Polska Izba Mleka)
Polish Chamber of Milk
ul. Mickiewicza 7/23
PL - 15-213 Białystok - www.izbamleka.pl

Portugal

FENALAC - Federacào Nacional das Uniones de Cooperativas de Leite e Lacticinios
Rua Alexandre Herculano, 351, 1°
P – 4000-055 Porto - www.fenalac.pt

ANIL
Associação Nacional dos Industriais de Lacticinios
Rua de Santa Teresa 2 - C2
P - 4050 Porto - www.anilact.pt

Serbia

SERBIA (Associate Member)
Nacionalna Asocijacija Prera iva a Mleka
Serbian Dairies Asociation-SEDA
www.serbiandairies.org

Slovenia

Slovene Dairy Association
Dimiceva 9
SI – 1000 Ljubljana
www.slovenskomleko.com

Spain

FENIL - Federacion Nacional de Industrias Lacteas
Ayala 10 - 1, Izqda
E - 28001 Madrid
www.fenil.org

Sweden

Federation of Swedish Farmers,
SE - 105 33 Stockholm
www.lrf.se

United Kingdom

Dairy UK
210 High Holborn
UK - London WC1V 7EP
www.dairyuk.org

Board Members

Ireland

Mr Cormac Healy - IDIA director
Confederation House
84-86 Lower Baggot Street
IRL - Dublin 3

Italy

Mr Attilio Zanetti
Zanetti spa
Via Madonna 1
I - 24040 Lallio

Latvia

Mr Janis Šolks - Chairman of the Board
Latvian Dairy Committee
Bauskas iela Nr.180,
LV1004 Riga

Luxembourg

Mr Claude Steinmetz - Directeur
Luxlait Association Agricole
L – 7501 Mersch

Netherlands

Mr Werner Buck - Corporate Director Public & Quality Affairs
RoyalFrieslandCampina
P.O. 1551
NL 3800 BN Amersfoort

Poland

Mr Marek Murawski - Manager Quality & Technology
KZSM
ul. Hoza 66/68
PL - 00-682 Warsaw

Portugal

Mr Fernando Cardoso - Secretary General
Fenalac
Rua da Restauraçào 312 - 1
P – 4000-055 Porto

Slovenia

Mrs Cvetana Rijavec - Chairman of the Managing Board
Ljubljanske Mlekarne d.d.
Tolstojeva 63
SI - 1000 Ljubljana

Spain

Mr Juan Camin Torrents - Director
Nestlé España
Gran Vía 16
E - 28013 Madrid

Sweden

Mr Jonas Carlberg
Head of Milk Policy Division
Federation of Swedish Farmers
SE - 105 33 Stockholm

United Kingdom

Ms Judith Bryans - Chief Executive
Dairy UK
210 High Holborn
UK - London WC1V 7EP

EDA Secretariat

Alexander Anton
Secretary General
+32 (0)2 549 50 43 • +32 (0)475 59 04 22
aanton@euromilk.org

Claudine Hansen
Office Manager,
Assistant to Sec Gen
+32 (0)2 549 50 41
chansen@euromilk.org

Bénédicte Masure
Deputy Secretary General
+32 (0)2 549 50 44 • +32 (0)478 56 41 48
bmasure@euromilk.org

Hélène Simonin
Director Food,
Environment & Health
+32 (0)2 549 50 45 • +32 (0)473 13 81 32
hsimonin@euromilk.org

Flora Dewar
Trade & Economics Officer
+32 (0)2 549 50 46
fdewar@euromilk.org

Sophie Bruno
Junior Officer Nutrition & Health
+32 (0)2 549 50 80
sbruno@euromilk.org

Léa Vitali
Assistant Trade
& Economics
+32 (0)2 549 50 47
lvitali@euromilk.org

Marieke Amblard
Assistant Food,
Environment & Health
+32 (0)2 549 50 42
mamblard@euromilk.org

EDA Dairy Policy Conference 2015

Wednesday, 18 March 2015

14.30 – 17.30

Save the date and connect to the world of dairy!

Followed by our
ASSIFONTE / EDA
annual cocktail and cheese buffet

In the EDA offices
('Espace Banca Monte Paschi')
22-28 avenue d'Auderghem
B 1040 Brussels

EUROPEAN DAIRY ASSOCIATION

Avenue d'Auderghem 22-28
1040 Brussels
Belgium

Tel +32 2 549 50 40
Fax +32 2 549 50 89
eda@euromilk.org

www.euromilk.org

The European Dairy Association represents
the interests of dairy processors in the European Union