

Interview with Dace Pastare



Mrs Dace Pastare is President of the Marsava Co-operative and member of the Latvian Milk Producers' Association. Together with her husband she runs a dairy farm with 120 cows, which is a medium-sized farm in Latvian terms. The Marsava Co-operative has 85 members and produces 80 tons of milk a day.

Ms Pastare, you yourself have a dairy farm. How do you view the current situation of Latvian dairy farmers?

The situation varies a great deal at the moment – farm size in Latvia also varies considerably from several thousand cows to just a few animals. Some dairy farms are stagnating, not developing at all. The reasons for this include the age of the farmers and the price of land. Another group of farmers have plans for growth but are still waiting for the right moment. A third group of milk producers are expanding regardless, resolutely pursuing their own plan.

What are prices like in Latvia?

The milk prices have plummeted in recent months. In April 2014 they were paying 38.5 cents, in June it was still 31.5 cents. In October 2014 the price had fallen to just 24 cents. Prices vary considerably within the country. In September 2014 the biggest co-operative was paying 19.5 cents. The farm-gate price paid by our co-operative, Marsava, was 22 cents (09/2014). I also know of a very small farm with 20 cows that receives only 12 cents for a litre of milk. In December we got 24 cents, but since January - only 22 cents. The milk prices are very poor. We are worried about the super levy and penalty payments. In the 2014/2015 milk year we expect 7% over the quota. The penalty payments are more than the milk price! Latvian dairy farmers are currently surviving thanks to subsidies and direct payments. If and when these go, we farmers will have serious problems. I wonder how we are supposed to pay for feed then.

How do you view the future of Latvian farms?

The processors depend on our milk, and I reckon they will be paying higher prices again in future. In my estimation we will have to put up with this crisis for the next two to three years. The crisis in 2009 showed that prices went up again after a few months. I take a very pragmatic view – some dairy farms will survive and then the balance between supply and demand will be restored. Of course, that depends on how cost-efficient we can be, how feed costs develop, etc.

Your Marsava Co-operative recently launched new products on the market. What are they?

We came up with the idea for our co-operative's own product, and in October 2014 launched a calcinated curd on the market. Curd has a long tradition in Latvia as a healthy food for children, but has not always been necessarily tasty. Our aim was to create a healthy and tasty food for the whole family from a traditional product. A "by-product" was cream, which we are also marketing.

How hard was it to launch a new "old" product on the market?

It was tough at the beginning, our main problem being to finance our own processing plant. No bank was prepared to give us money, as a co-operative. So we were forced to outsource production. The project is now up and running, and several national supermarket chains and

smaller private shops carry our two products. One ton of milk is processed into curd and cream a week. Sales are slowly rising, but we aren't making a profit yet.

What are your aims and projects for the future?

Our aim is to make curd and cream well established in the market. We would like to have our own processing plant in a few years' time. Our next project is vanilla custard – we are developing the technology for this. Marsava – the eponym for our co-operative – is the Latvian goddess who protects and watches over cattle and farmers. So the omens are good!

Thank you very much for the interview, Mrs Pastare.