

Innovations in dairy sector in The Netherlands



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Strenghts Dutch dairy chain



Entrepreneurship and craftsmanship
family farms



Efficient and profitable farms



Competitive processors

Dairy in Spain, France and The Netherlands 2012

	Spain	France	The Netherlands
Milk production (mill. tons ECM)	6,5	24,6	12,7
Self-sufficiency %	69%	139%	168%
Number of dairy farms	20.000	75.000	19.000
Average dairy cows per farm	43	49	79
Average milk production per farm	330.000	346.000	636.000
Average ha per farm			50
Milk per cow	7.300	7.000	8.000
% grass / % maize + fodder crops			75% / 25%
DM yield per ha grass / maize			10.000 / 14.000
Kg concentrates per cow			2.060
Kg milk per full time worker			375.000



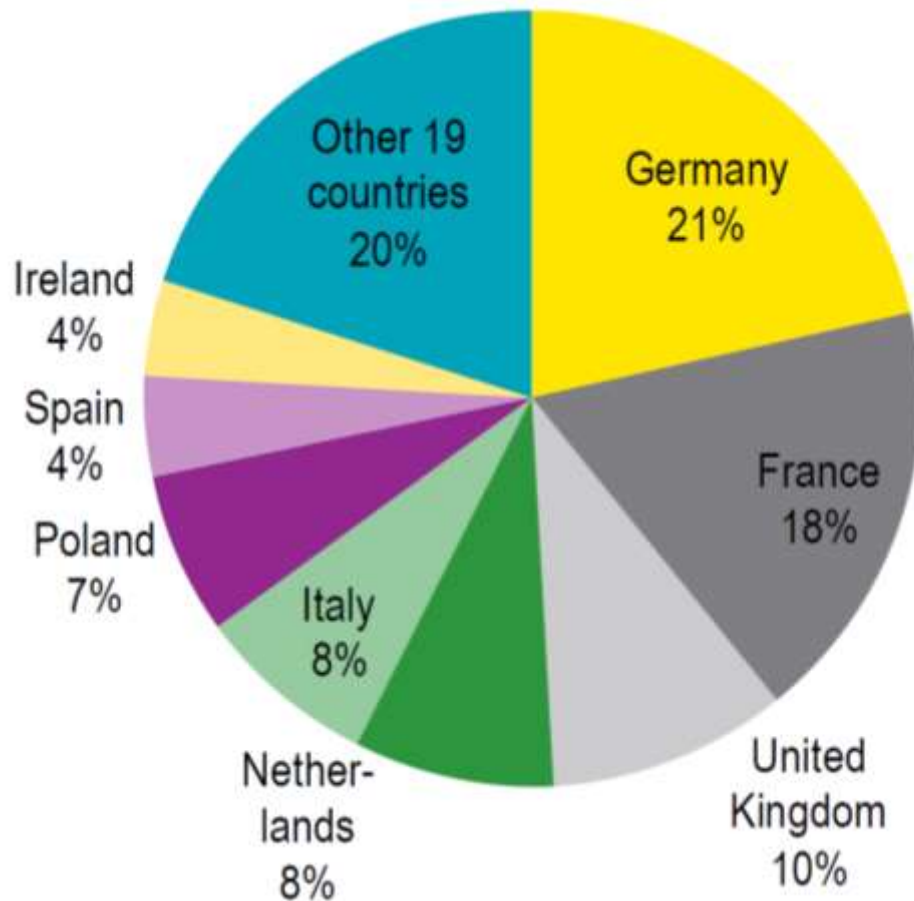
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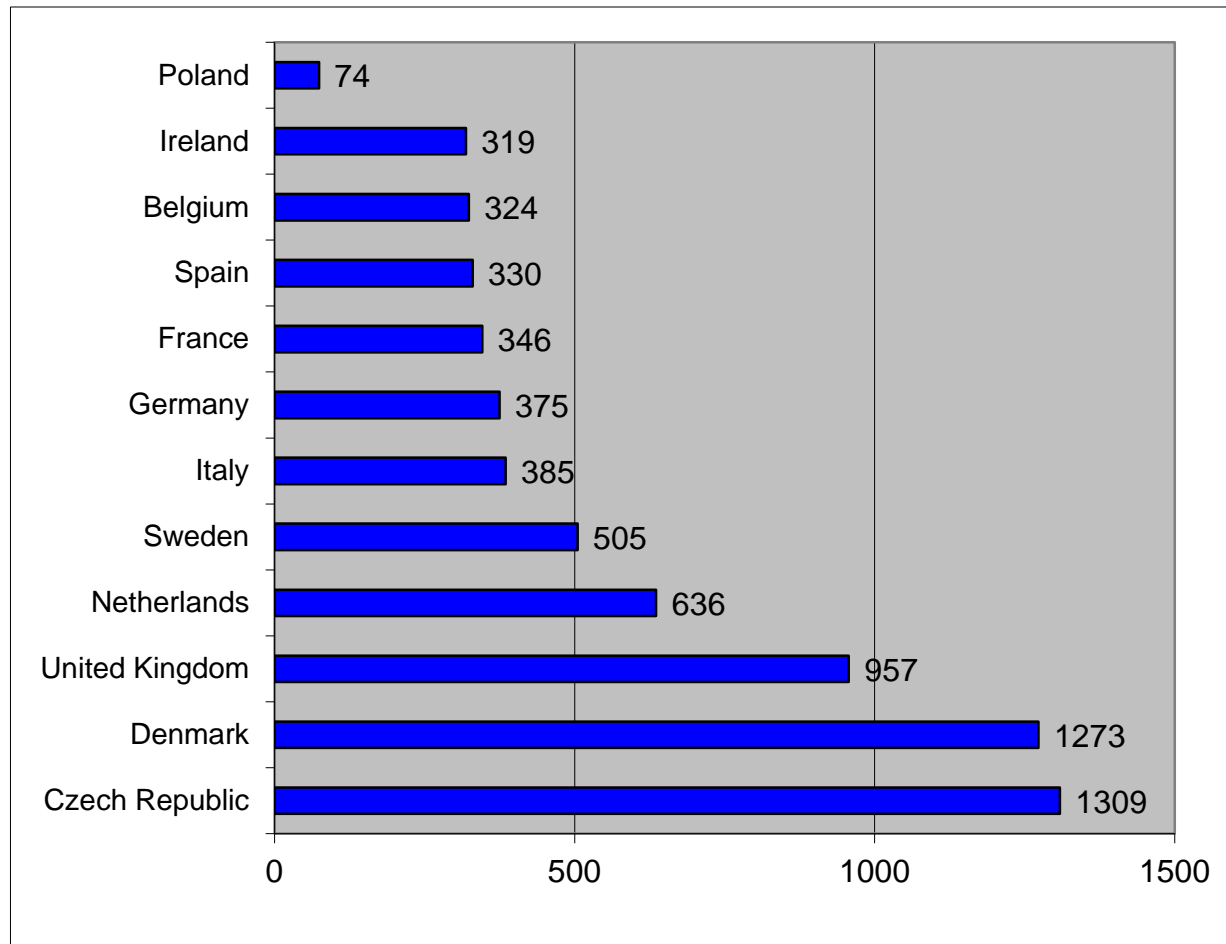


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Share of EU Member States in cow milk collection

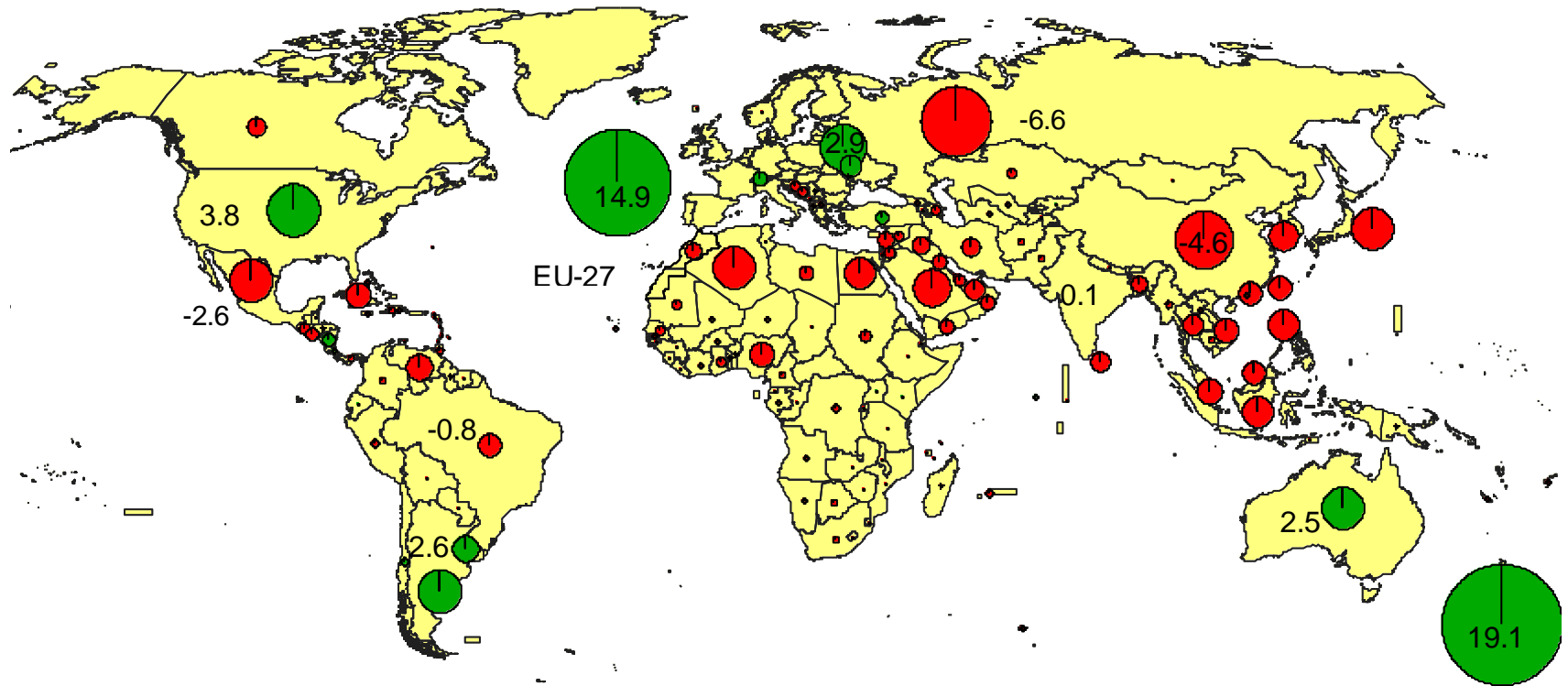


Milk production per farm 2012 (tons)



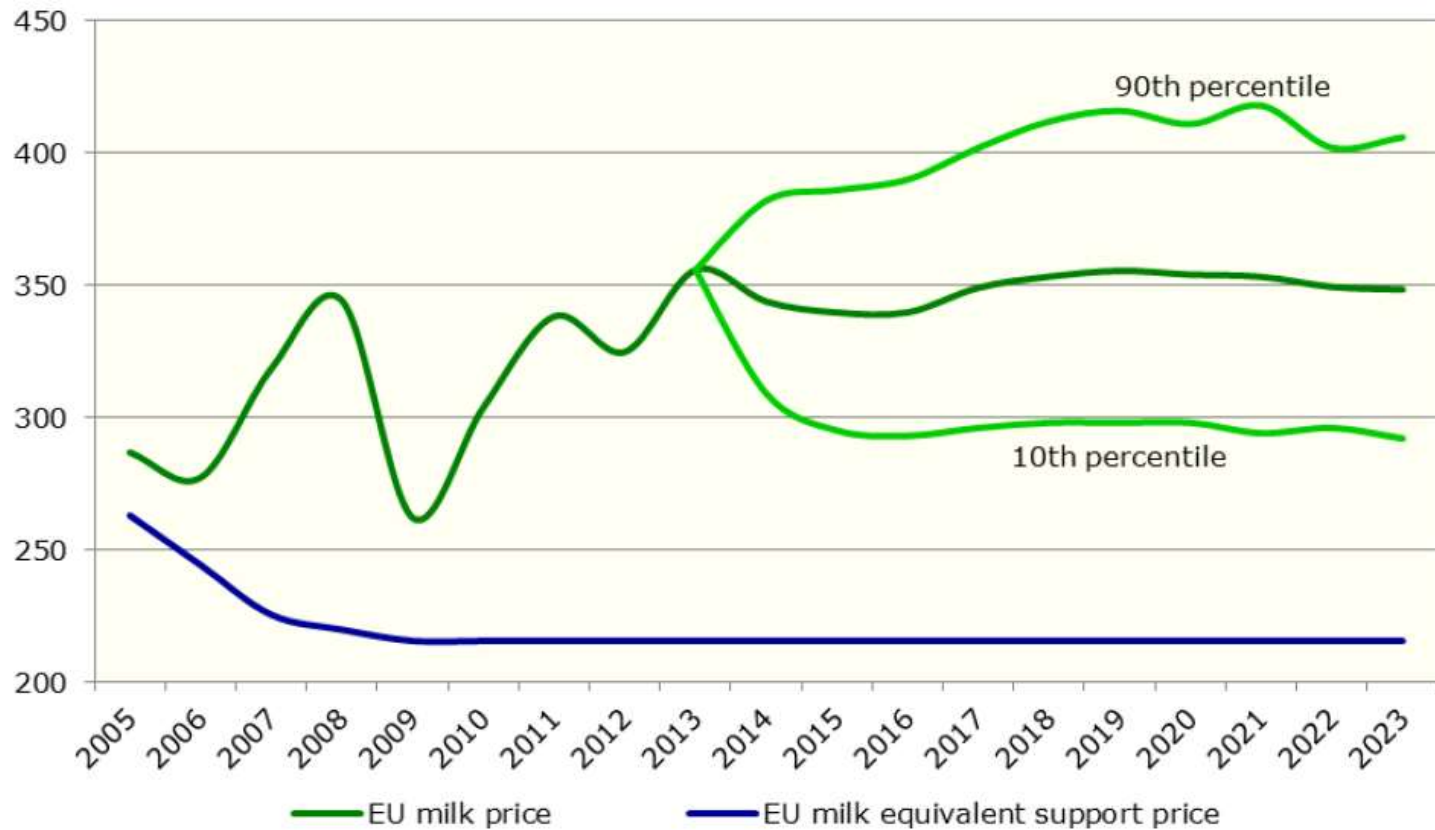
Country milk surplus or deficit in 2011

in mill. tons milk equivalents

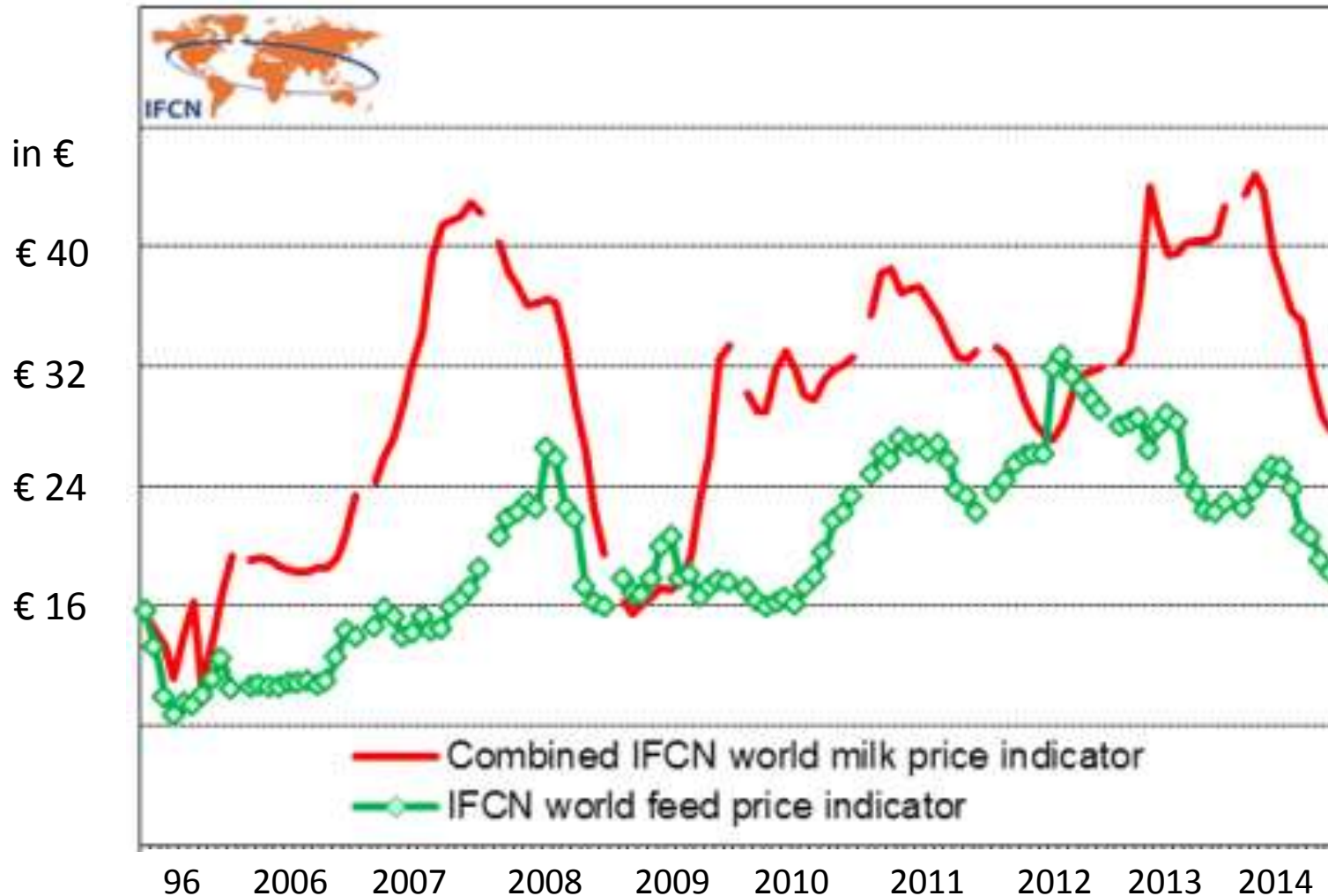


▲ Surplus in mill. tons
▲ Deficit in mill. tons

Outlook EU milk price and EU support price (real fat content, €/ton)

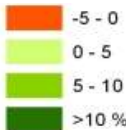
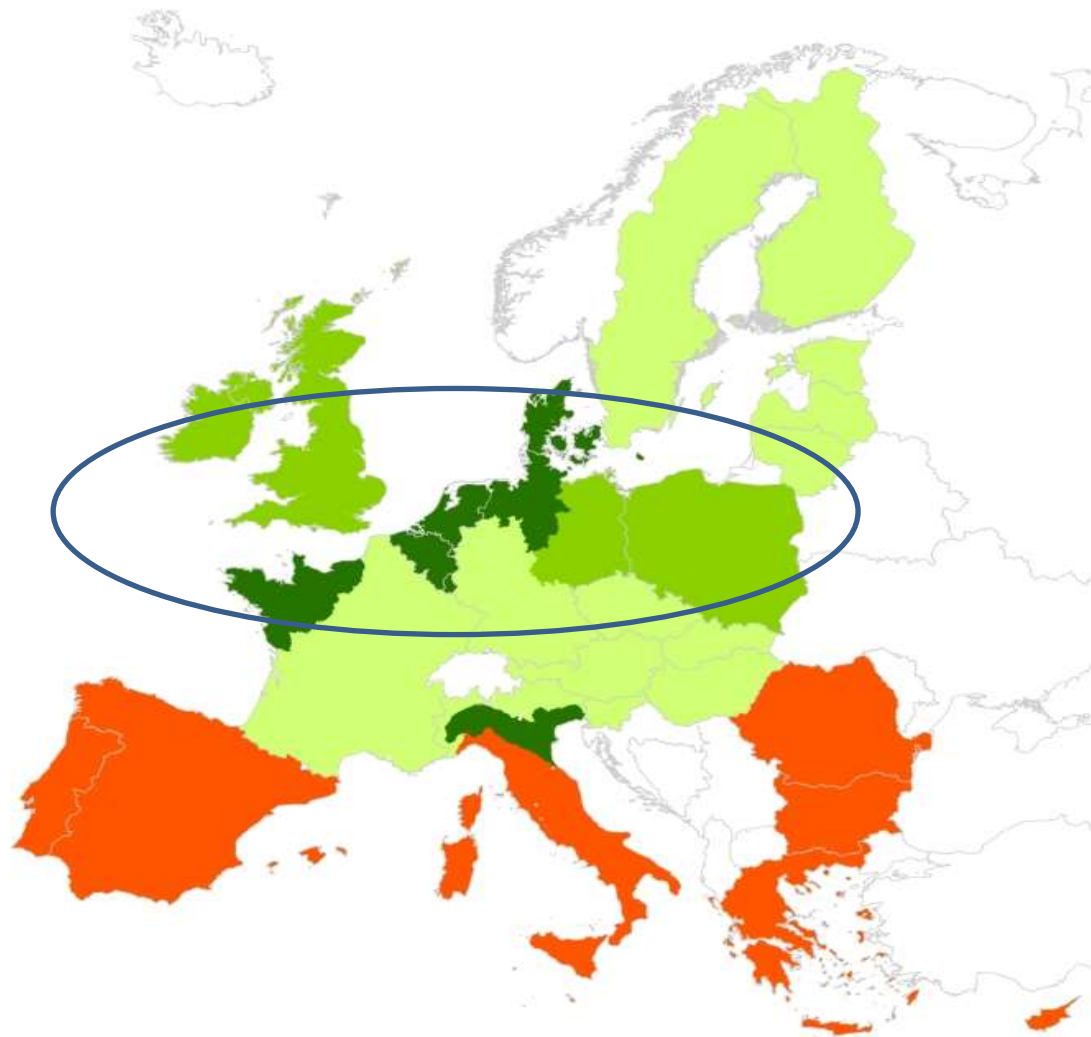


World milk and feed prices in €

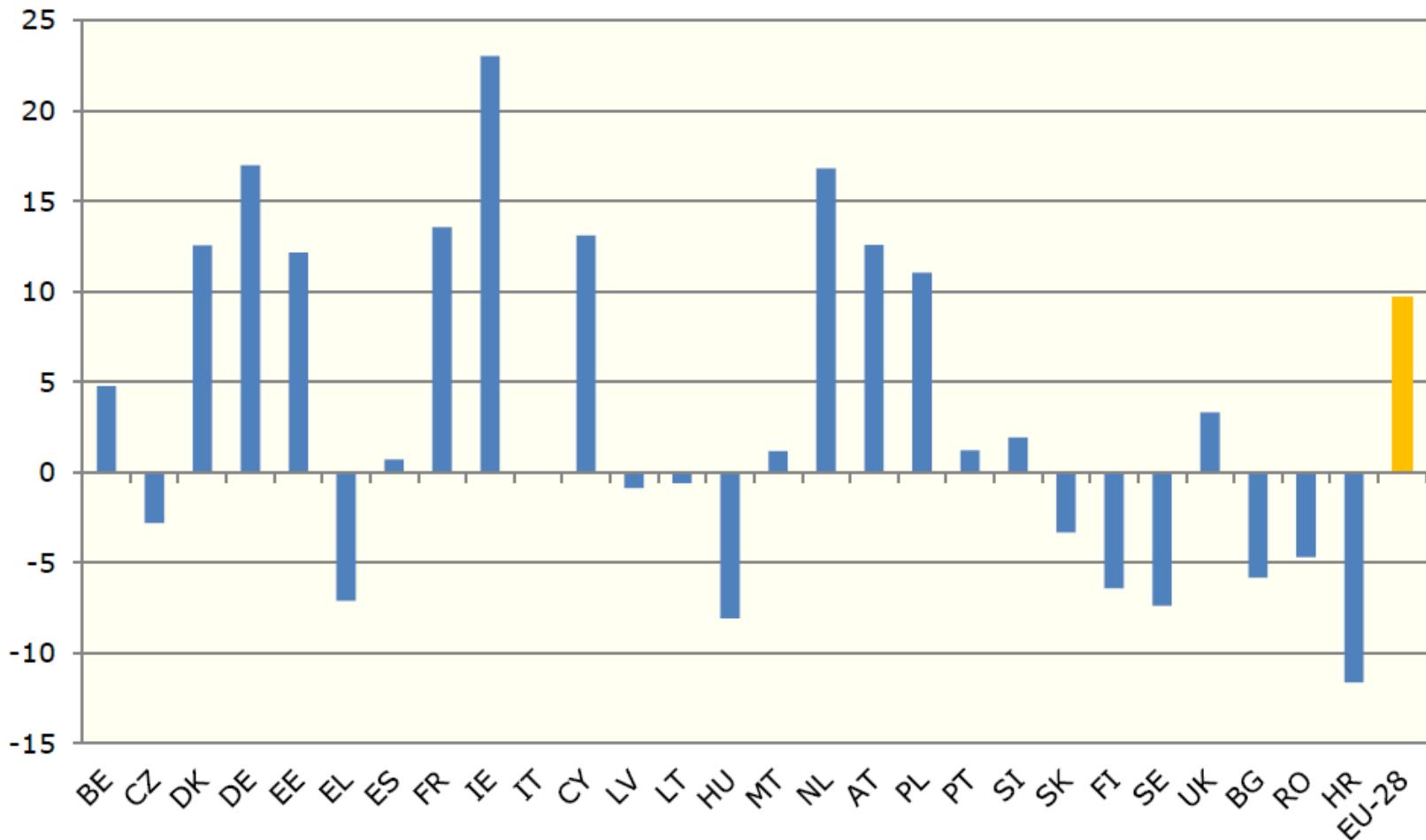


Change in milk production 2006-2020

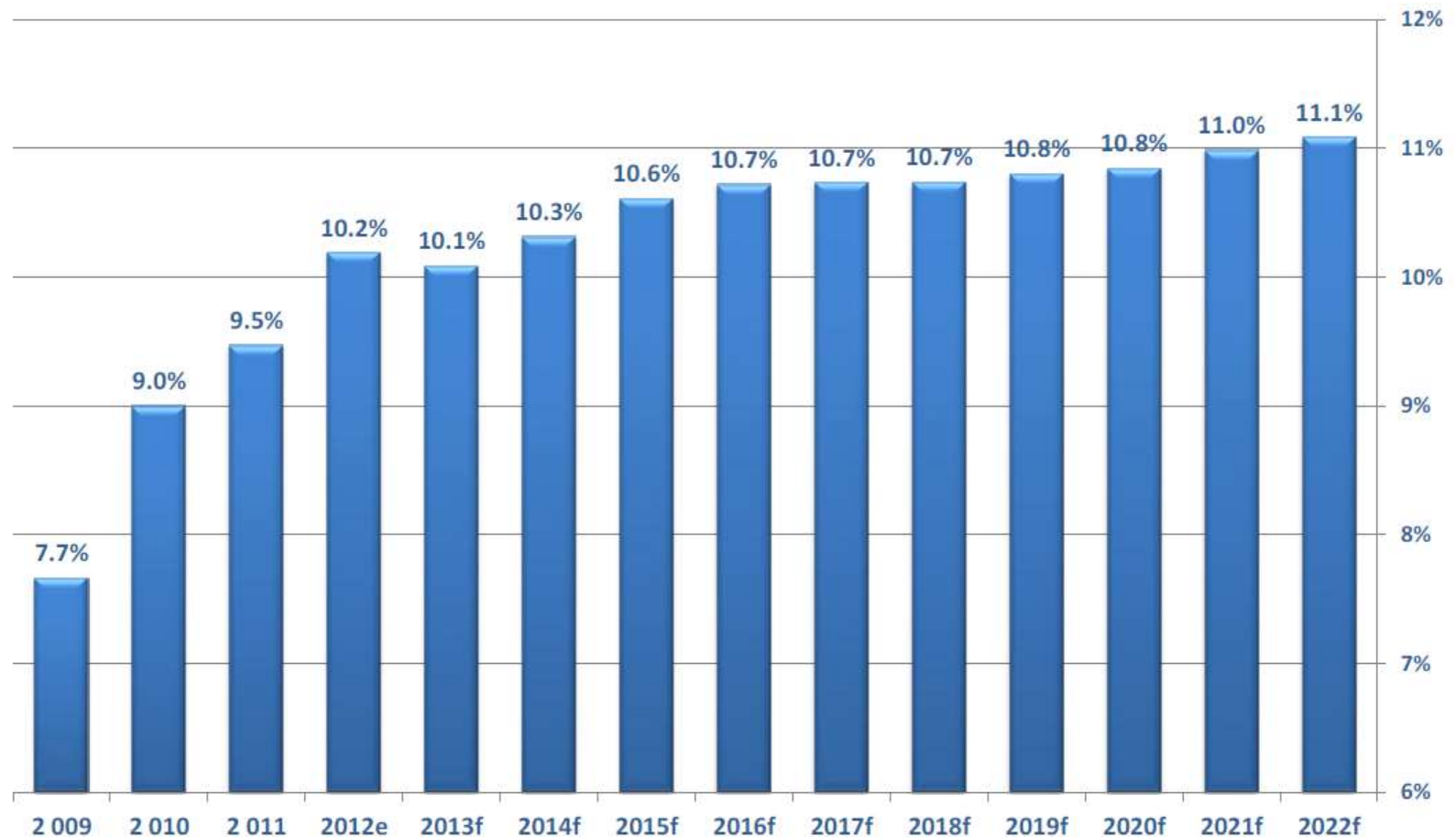
(in %)



Expected % change in national milk deliveries 2023 compared to 2012

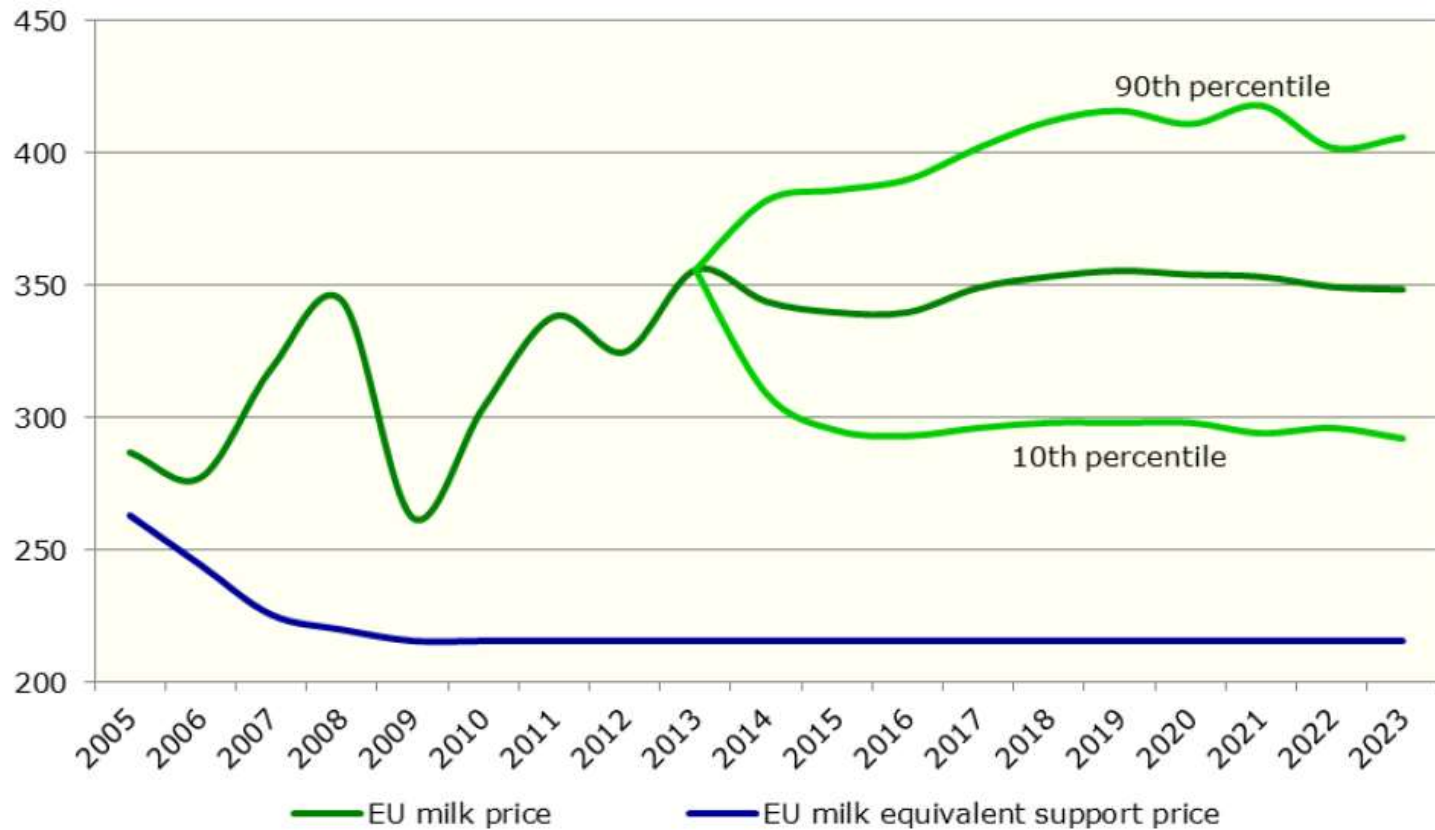


EU export in % of total dairy production



Source : DG AGRI Medium Term Outlook, Eurostat (Comext)

Outlook EU milk price and EU support price (real fat content, €/ton)



Threats for Dutch dairy farms

- High land prices (€ 30.000 - €80.000 / ha)
- Reducing emissions (N, P, NH₃, CO₂ and CH₄)
- High investments in expansion (from 80 to 150 cows/farm)
- Disposal of manure (€ 10 – 20 / ton)
- Less direct payments CAP EU
- Negative attitude society about “mega” farms (> 400 cows)

NL: legislation on NH₃, N and P



Low NH₃-emission technology:

- Slatted floors
- Storage of manure
- Application of manure



High efficiency of N and P fertilization:

- Restrictions for N and P per ha
- Disposal of excess manure

Opportunities for Dutch dairy

Dairy chain level:

- Faster reaction to market opportunities
- Sustainability as unique selling point
- Export of added value dairy products

Farm level:

- Improving technical, labour and economic efficiency
- Optimize: automation, hired labor and contract work
- Expansion of farms

How to create higher margins on the farm and excellent customer satisfaction in the store?



NL: Sustainability: society loves grazing



1. Animal welfare
2. Icon in Dutch landscape



Grazing premium of 1 ct/kg milk

Automation





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Expansion: new free stalls



Investments expansion (in €)

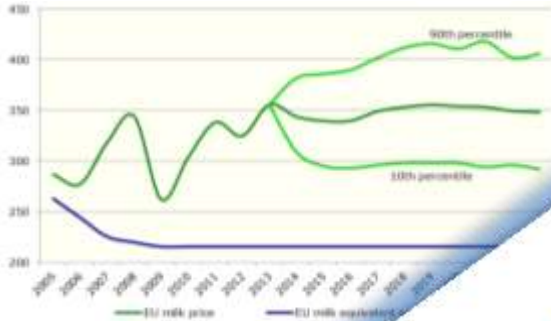
- Investments per cow
 - Housing 5.000
 - Milking equipment 1.000
 - Feed storage 1.000
 - Cow 1.500
- Prices of grass- and maizeland: 40.000-90.000
- ROI on land: 0-2 %



Faith of dairy farmers in NL future of



YES

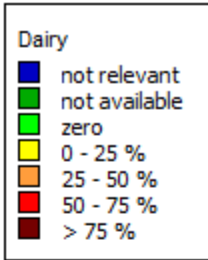


DOUBTS

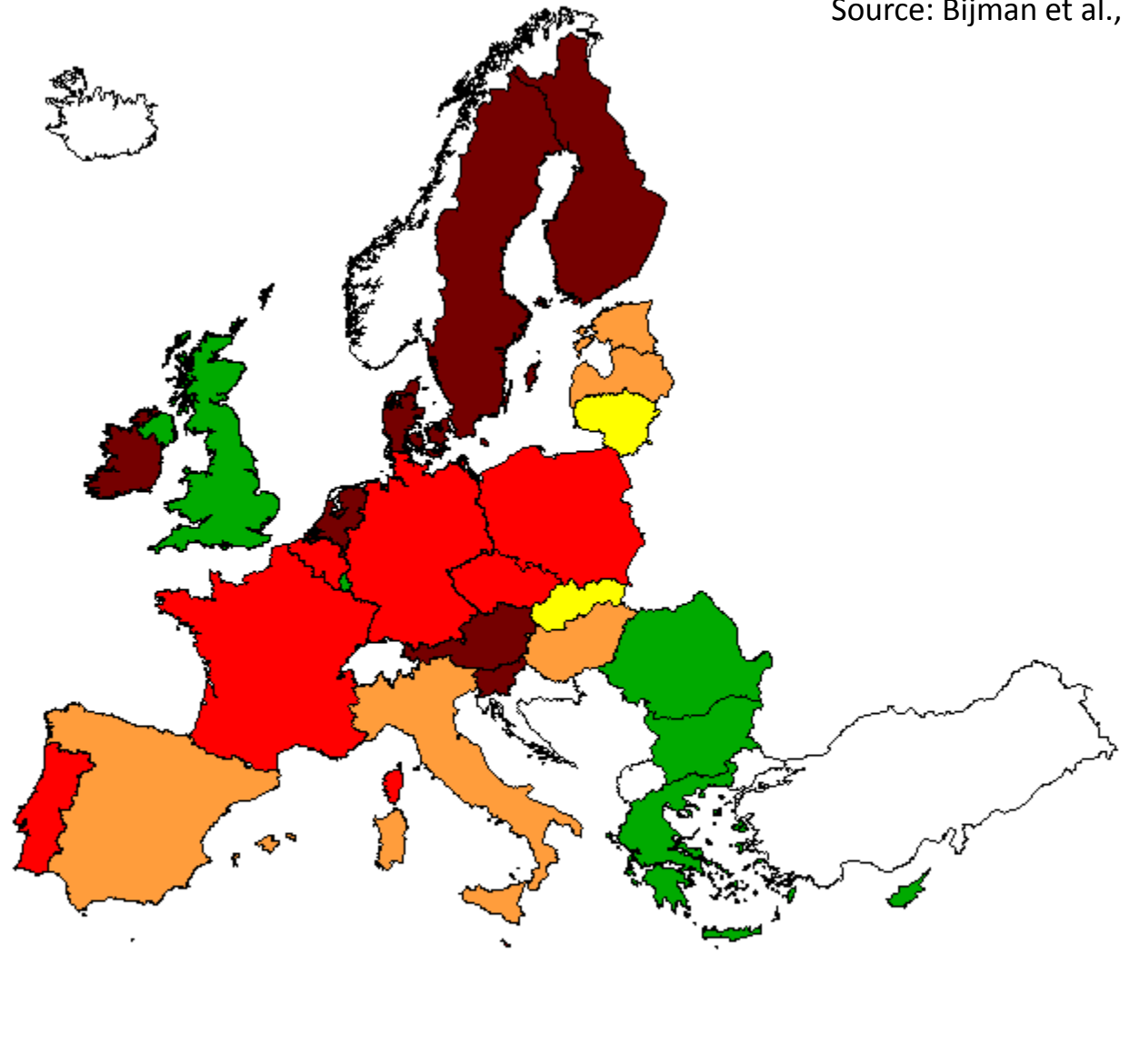


YES we can, we've done it for 20 years already

Market share of cooperatives in dairy processing



Source: Bijman et al., 2013



Characteristics Dutch cooperatives

Members

- Commitment and trust in board members
- Participation in decision making and control
- Constantly adapting to the market
- Realize benefits

Market + organisation

- Strong partners in dairy chain and export
- Training and education of board members (professionalism)

Innovation in dairy products



Food services for catering Europe



Infant feeding Asia & Africa



Dairy beverages



Branded cheeses

Objectives of Sustainable Dutch Dairy Chain 2020

1. Energy reduction and production: e.g.

- - 30% CO2 compared to 1990
- Climate neutral growth of dairy sector

2. Animal health and welfare: longevity and antibiotics

3. Maintain 75% of farms grazing

4. Biodiversity and environment

- 100% sustainable soya and palm pit kernels in dairy cow rations
- Decrease N- and P-leakage and NH₄-emission
- More biodiversity

Sustainable Dutch Dairy Chain is a joint initiative of all Dutch dairy processors

Future European dairy

1. The future is about adapting to markets.
What is the market you focus on?
2. Sustainability is the key to improve the added value of dairy products in Western Europe



Realizing both is the best guarantee for a high milk price