



Breeding farm “Piehenīte”

Enhancing competitiveness in the agricultural sector by establishing a young livestock farm.

EAFRD-funded projects

Location: Lestene, Tukuma novads, Latvia

Programming period: 2014-2020

Priority: P2 - Competitiveness

Focus Area: Farm performance, restructuring & modernisation

Measures: M04 - Investments in physical assets

Funding: Total budget: 1 864 564 (EUR)

EAFRD: 670 214 (EUR)

National/Regional: 315 395 (EUR)

Private/own: 878 955 (EUR)

Timeframe: 03/2019 - 03/2020

Project promoter: SIA Lestene

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Summary

SIA 'Lestene,' an agricultural company in western Latvia, embarked on a transformative journey to address the need for robust development in the dairy industry. Recognising the under-valued nature of dairy farming, the company strategically established a young livestock farm in 2020, significantly increasing annual milk production to over 5 100 tons by 2022. This venture not only bolstered breeding economics, but also strengthened the company's competitiveness in the agricultural sector, resulting in increased annual income. Throughout three decades, 'Lestene' played a pivotal role in shaping the Latvian dairy industry, emphasising the importance of strategic, bold, and sustainable initiatives for long-term success in agriculture.

Project results

- The construction of the new farm not only enhanced the company's competitiveness in the agricultural sector, but also contributed to a significant rise in annual income.
- The establishment of the young livestock farm led to a substantial increase in milk production, surpassing 5 100 tons of raw milk annually by 2022, compared to around 3 500 tons previously.
- Crucially, the farm's focus on self-produced fodder, with the annual production of 11-12 000 tons of silage and over 1 000 tons of fodder, ensures sustainable and efficient operations.

Key lessons and recommendations

It is important to focus on collaboration among industry representatives, advocating active involvement in national organisations, and fostering partnerships with local stakeholders.

Realise that the dairy farming sector, often under-valued, demands a long-term perspective.



Context

SIA 'Lestene' is an established agricultural company situated in western Latvia. The farm was established in 2001. With a workforce of approximately 50 employees, the company oversees the management of 1 825 hectares of land and nurtures a herd comprising 809 cattle, including 374 dairy cows. In 2004, prior to Latvia's accession to the European Union, the company achieved a significant milestone by becoming the first entity to initiate milk exports. This important move contributed to an increase in the selling price of milk across the whole country.



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Recognising the importance of collaboration, the company established the 'Piena ceļš' milk cooperative in 2004. Nearly two decades later, in 2020, SIA 'Lestene,' in partnership with the Estonian cooperative 'E-Piim,' pioneered the creation of the first international cooperative in Eastern Europe. This cooperative is wholly owned by farmers, exemplifying a unique and ground-breaking venture in the region.

In 2012, SIA 'Lestene' further expanded its operations by constructing the 'Pienenes' milk production farm, designed to accommodate 490 milking cows, featuring an unattached three-row sleeping system and a 32-place Delaval parallel milking parlor. At the same time, the company, in collaboration with its partners, established a bio-gas station that could process manure generated from dairy farms, yielding electricity, heat, and digestate. The digestate is used for fertilising fields and grass, showcasing the company's commitment to sustainable agricultural practices.

Objectives

As part of its overarching strategy, SIA 'Lestene' aims to continually develop and streamline agricultural production, emphasising the production of high-quality milk, grain, and rapeseed. The company is also dedicated to the ongoing integration of more efficient and economically beneficial technologies and machinery into its production processes, aligning with its long-term goals for sustained growth and innovation. As such, the primary objectives of SIA 'Lestene' focus on advancing the dairy industry in Latvia, ensuring environmentally friendly resource use, and the farm's economic competitiveness.

The specific aim of the project was to create a new and competitive young livestock farm founded on efficient breeding economics and self-sufficiency in fodder production while achieving optimal animal welfare and feeding conditions. With the new farm, the company was keen to strengthen its position in the Latvian dairy market and demonstrate good sustainable practices, contributing to both industry growth and environmental stewardship.

Activities

Project activities included establishing a young livestock farm designed for pregnant heifers and standing cows, equipped with calving boxes to enhance breeding economics. This facility was integral to the company's strategy, fostering essential conditions for successful dairy farming and bolstering competitiveness. Notably, the company's recent practices, including the first insemination of heifers at 12-13 months and first calving at 22 months, highlight its commitment to optimal animal welfare and feeding conditions.

Main results

- The establishment of the young livestock farm led to a substantial increase in milk production, surpassing 5 100 tons of raw milk annually by 2022, compared to around 3 500 tons previously.
- Crucially, the farm's focus on self-produced fodder, with the annual production of 11-12 000 tons of silage and over 1 000 tons of fodder, ensures sustainable and efficient operations.
- The construction of the new farm not only enhanced the company's competitiveness in the agricultural sector, but also contributed to a significant rise in annual income.
- The company's efforts to build this farm within the given financial support of EAFRD earned it nominations for the prestigious "Sējējs" award in 2020.



Key lessons and recommendations

- > Focus on the importance of collaboration among industry representatives, advocating active involvement in national organisations and fostering partnerships with local stakeholders.
- > Realise that the dairy farming sector, often under-valued, demands a long-term perspective.
- > Understand that the intricacies of dairy farming mean that rectifying mistakes can be challenging or even irreversible. Hence, strategic, intelligent, and bold steps are crucial for sustainable development for which forward-thinking and impactful strategies are vitally important.



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Quote

"The cooperative, like agriculture, is a long-term project, moreover, it creates more stability. In a crisis situation, being in a cooperative is better than working with one or another milk buyer. In the long term, it also helps to maintain a stable milk price and is a solid guarantee for development. The dairy industry is not rapeseed production or grain farming, where, for example, grain can be stored for the next year - milk must be delivered every morning, it must be of high quality and a stable payment must be received for it."

The beneficiary

Additional information:

<https://vimeo.com/514215119>



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