



UNISECO



European Union's  
Horizon 2020  
Programme  
GA N° 773901

# Policies Enabling Transition to Organic Dairy Farming Systems in Latvia

Photo: M. Štūbe

Understanding and Improving the Sustainability of Agro-ecological Farming Systems in the EU

POLICY BRIEF

*In Latvia typical organic dairy farms are small and grassland-based with low productivity. Dairy farmers have readily transitioned to organic dairy farming practices incentivized by CAP support. Organic dairy farms account for 10% of dairy farms and milk production, but less than 50% of organic milk processed as an organic dairy product. Continued transition is contingent on strengthening the position of organic dairy farmers in the value chain and stimulating demand for organic dairy products.*

## RESEARCH FINDINGS

Although there are over 50 conventional dairies in Latvia, only seven dairies process organic dairy products. The uneven distribution of organic dairies in relation to organic dairy farms, the low volume of milk produced on individual organic dairy farms and the limited cooperation among organic dairy farmers and with organic dairies highlight the logistic challenges to the collection of organic milk. Due to a limited demand for organic milk by organic dairies and consumers, the price received by farmers for organic milk is often lower than that paid for conventional milk. In this context, organic dairy farmers are incentivized to sell their milk to conventional dairies. The higher retail price associated with organic dairy products serves to deter consumers from purchasing organic dairy products even though there is a growing recognition of the environmental and health value of organic food. Although green public procurement rules include the option of purchasing of organic dairy products, the higher price associated with organic dairy products acts as a disincentive. Presently, a common organic farming and food policy is lacking to steer development of the sector.

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### Country:

Latvia

### Related to UNISECO case study:

[Improving the sustainability of grassland-based organic dairy farming in Latvia](#)

### Languages:

EN, LV

### Year of release:

2021

### Publisher:

UNISECO project

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## Latvian Organic Cheese by «Trikātas Piens»

Photos: SIA "Trikātas Piens"

## POLICY RECOMMENDATIONS

To address existing challenges related to the collection and transport of organic milk from farms to organic dairies and to increase the processing in organic dairy products a number of policy measures are proposed. CAP support is recommended for the establishment of cooperatives consisting of organic dairy farmers and dairies to increase collected and processed organic milk volumes and to ensure a higher price is received by farmers. It is proposed that a premium be paid to organic dairy farmers receiving the national support payment for the production of organic milk, if the milk is processed as an organic dairy product. To foster public sector demand for organic dairy products mandatory green public procurement criteria are recommended specifying the minimum share of organic dairy products per procurement contract. To stimulate consumer demand for organic dairy products, a reduction in the Value Added Tax on organic dairy products from 21% to 5% is proposed to harmonize the retail price for organic and conventional dairy products. Adoption of an integrated national organic farming and food policy is recommended as an instrument to guide the development of the organic dairy sector in the long-term.

## FURTHER INFORMATION

Improving the sustainability of grassland-based organic dairy farming in Latvia:  
<https://uniseco-project.eu/case-study/latvia>

### ABOUT UNISECO:

UNISECO is a European research project aiming to develop innovative approaches to enhance the understanding of socio-economic and policy drivers and barriers for further development and implementation of agro-ecological practices in EU farming systems.

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Project timeframe: 1 May 2018 – 30 April 2021

<https://cordis.europa.eu/project/id/773901>

<https://zenodo.org/communities/uniseco-h2020/>

UNISECO in the EIP-Agri projects database:

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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement N° 773901. This policy brief represents the views of the authors. The European Commission is not responsible for any use that may be made of the information it contains.