

MILK & DAIRY SECTOR IN POLAND CURRENT OVERVIEW AND PERSPECTIVES

AGRI KNOWLEDGE CIRCLE



BNP PARIBAS

FOOD&AGRI INTERNATIONAL HUB DEPARTMENT, WARSAW

June 2021



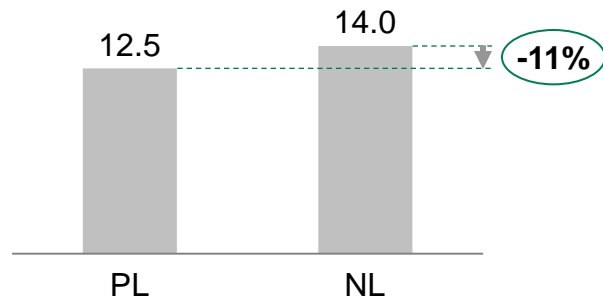
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The bank for a changing world

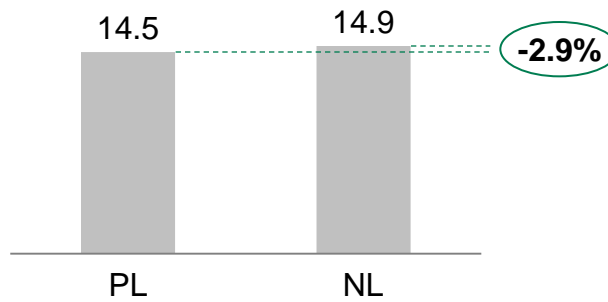
The volume of milk production in Poland and the Netherlands is similar, but there are significant structural differences



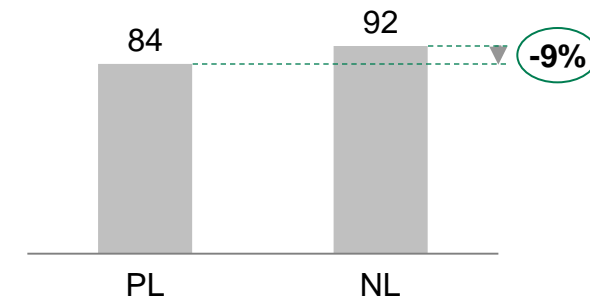
Volume of milk deliveries, mn t, 2020



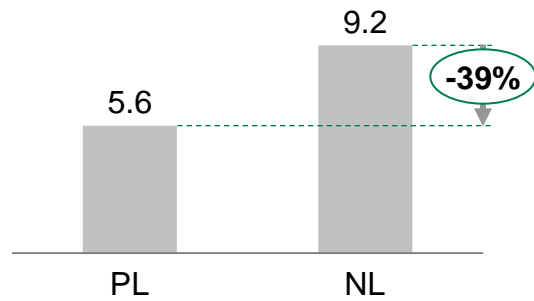
Milk production, mn t, 2019



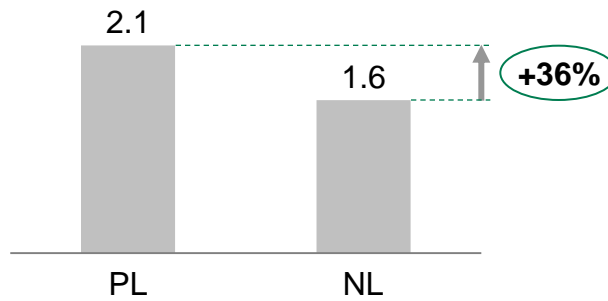
Milk delivery ratio, %, 2019



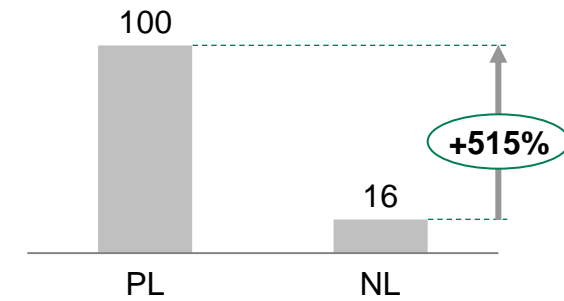
Yield, thousand kg, 2019



Number of dairy cows, mn, Dec 2020



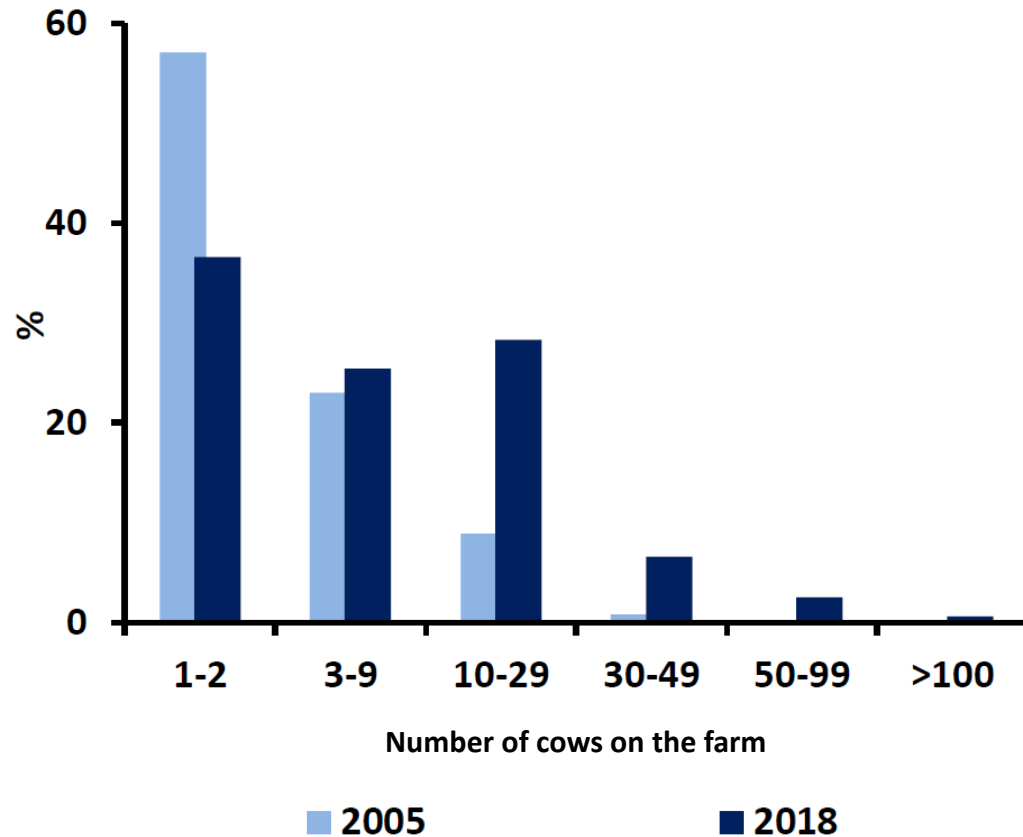
Number of milk farmers, 2019 estimated



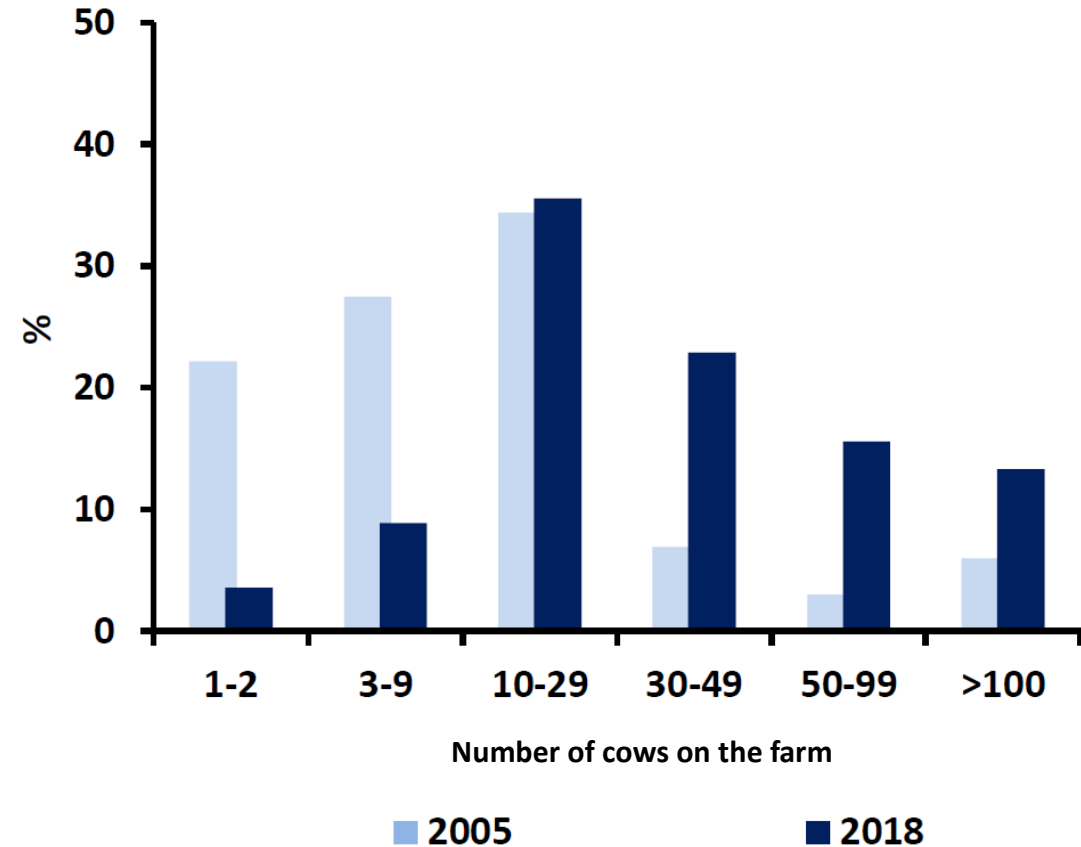
Source: BNP AGRO HUB analysis based on Eurostat data

The process of consolidation and specialisation of farms in Poland is observed

Structure of agricultural holdings in Poland with cows



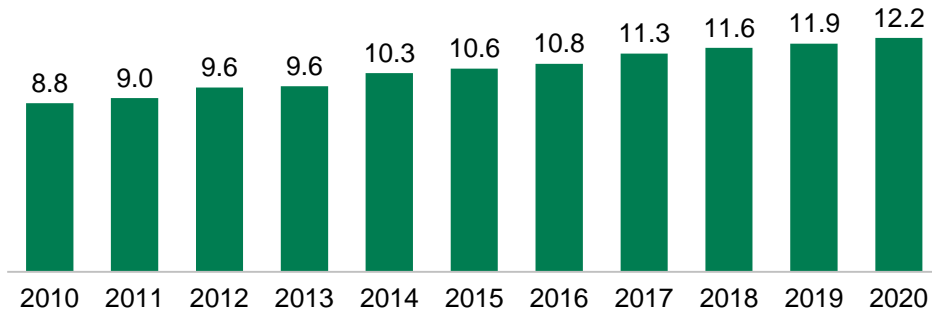
Structure of herd size in Poland



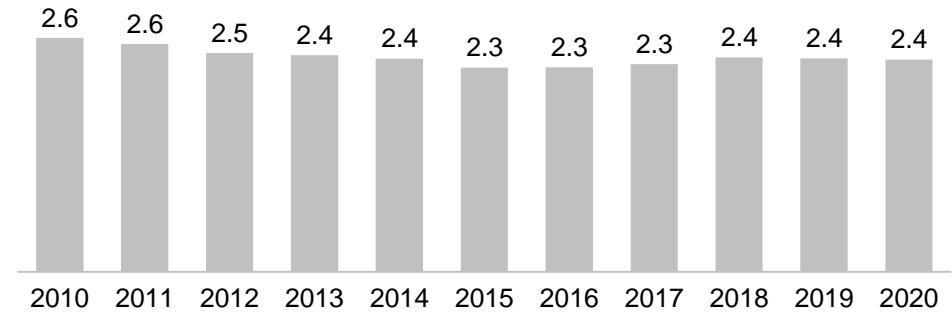
Source: PIM, Badanie nt. wpływu unijnej strategii „Od pola do stołu” na rozwój sektora mleczarskiego w Polsce

Milk collection volume is increasing due to increased productivity and decreased milk consumption on farms

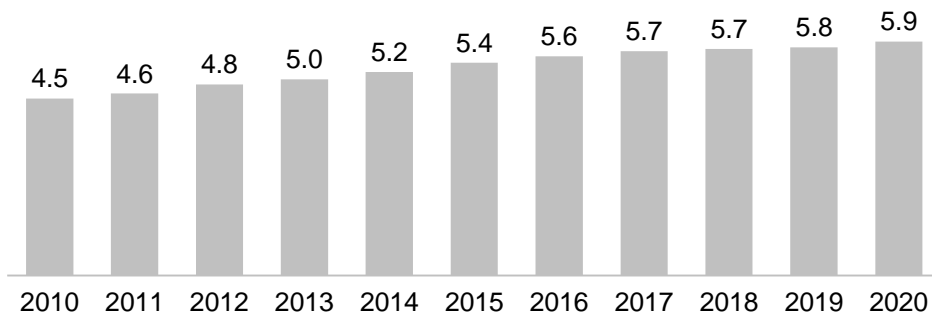
Volume of milk collection in Poland, bn litres



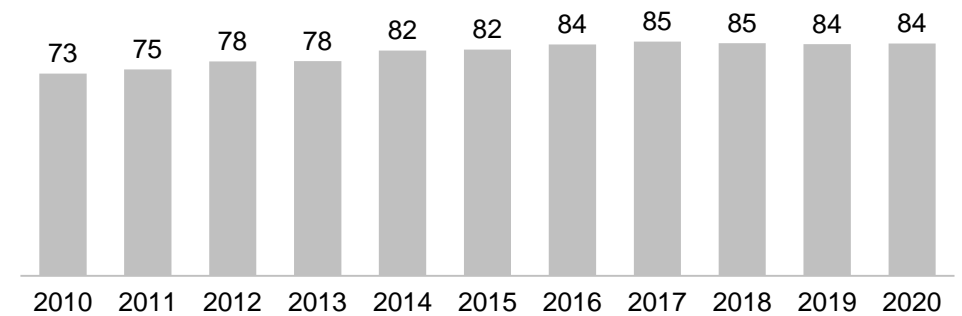
Cows herd in Poland, mn



Cows milk yield, thousand kg



Milk delivery ratio, %



Source: BNP AGRO HUB analysis based on GUS, MRiRW, IERiGZ data

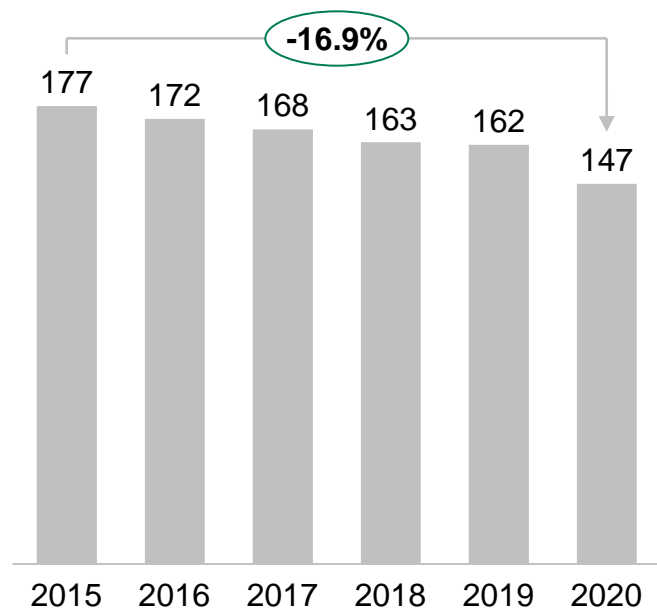
Poland still has great potential for growth in milk supply

	Min	Mid	Max
Cows herd, mn	2.1	2.1	2.3
Yield, thousand kg	7.6	8.8	9.2
Delivery ratio, %	90	90	92
Milk deliveries, mn tonnes	14.6	16.9	19.7
Change from 2020	+16%	+35%	+54%

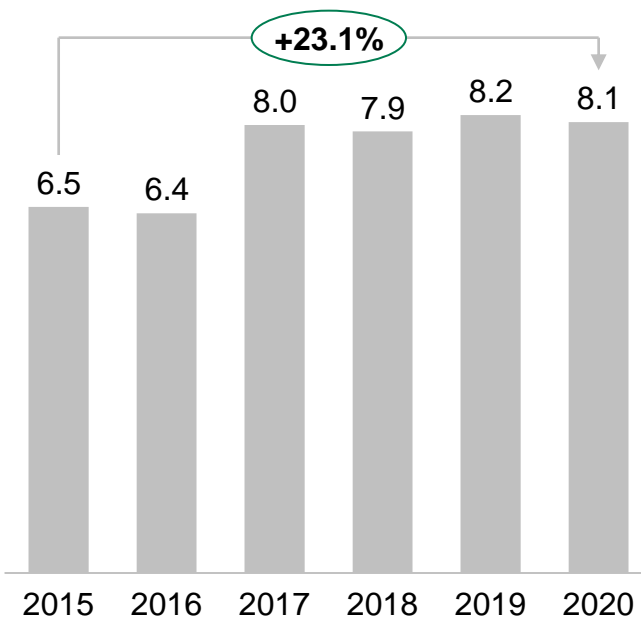
Source: BNP AGRO HUB estimates

Revenue of the milk processing sector is growing and the industry is in the process of consolidation

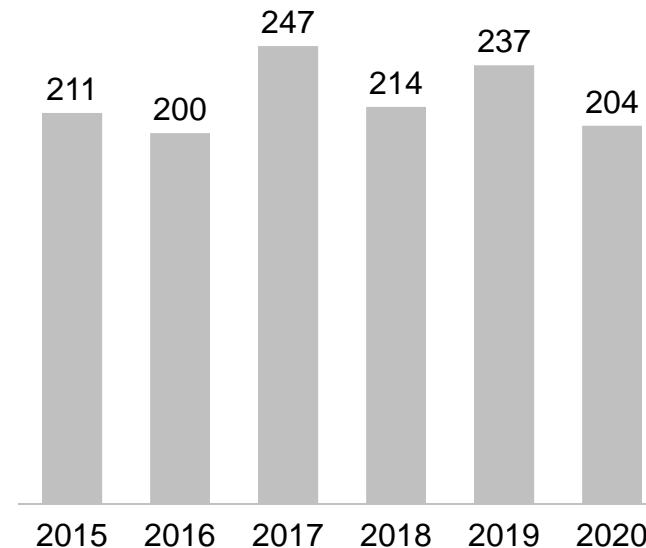
Number of enterprises



Revenues, EUR bn



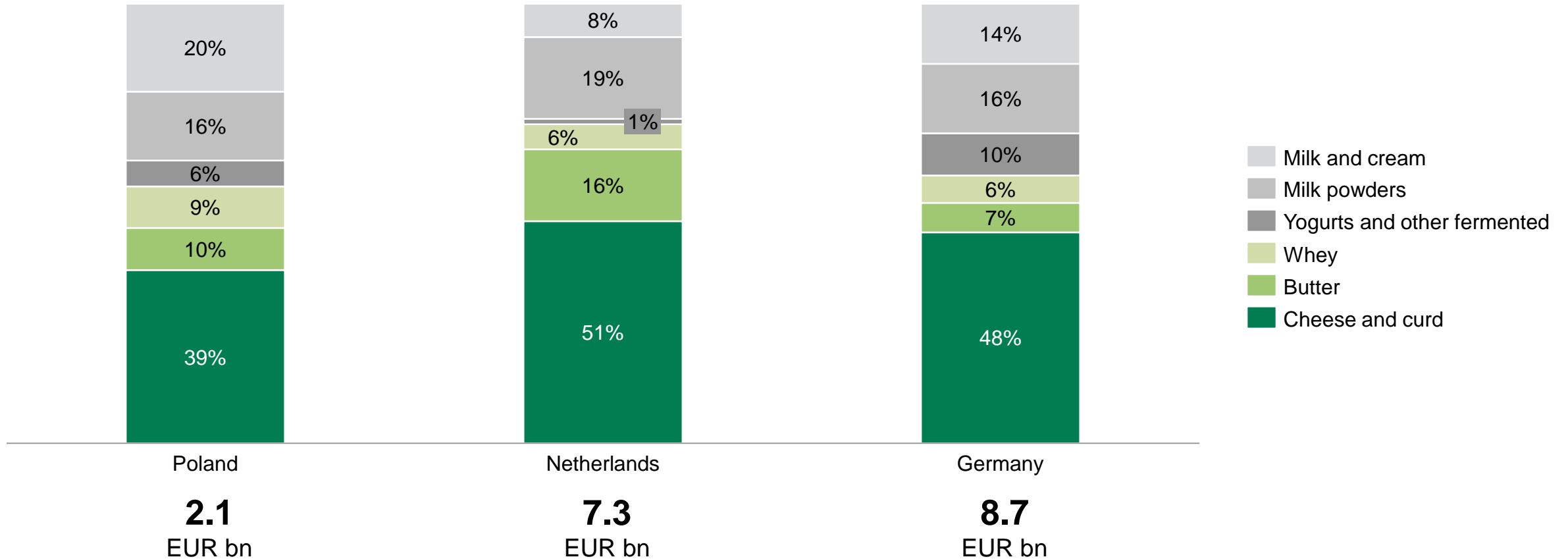
Capital expenditure, EUR mn



Source: BNP AGRO HUB analysis based on PONT-Info data

Cheese is less important in Polish exports than in the Netherlands or Germany

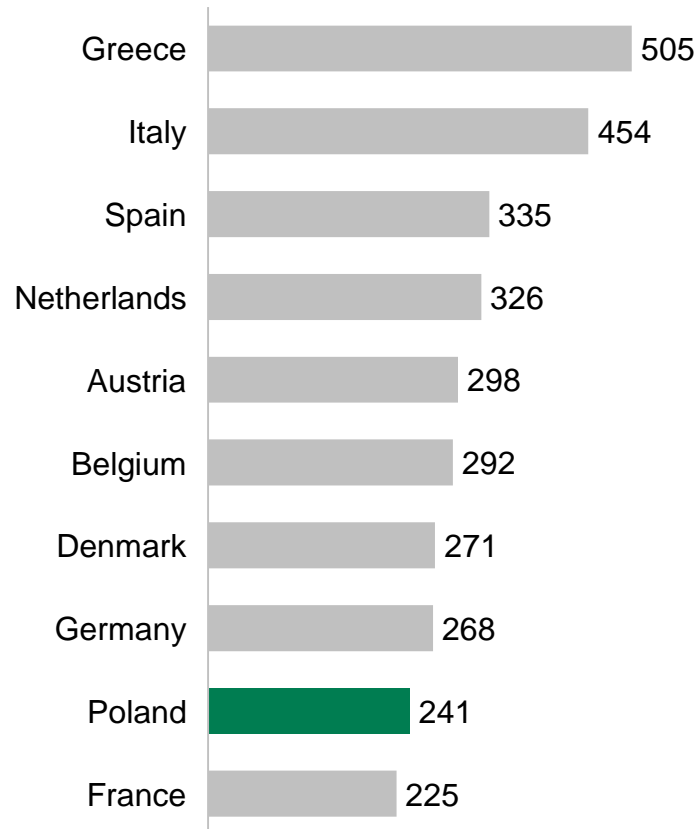
Structure of export of dairy products, by value, 2020



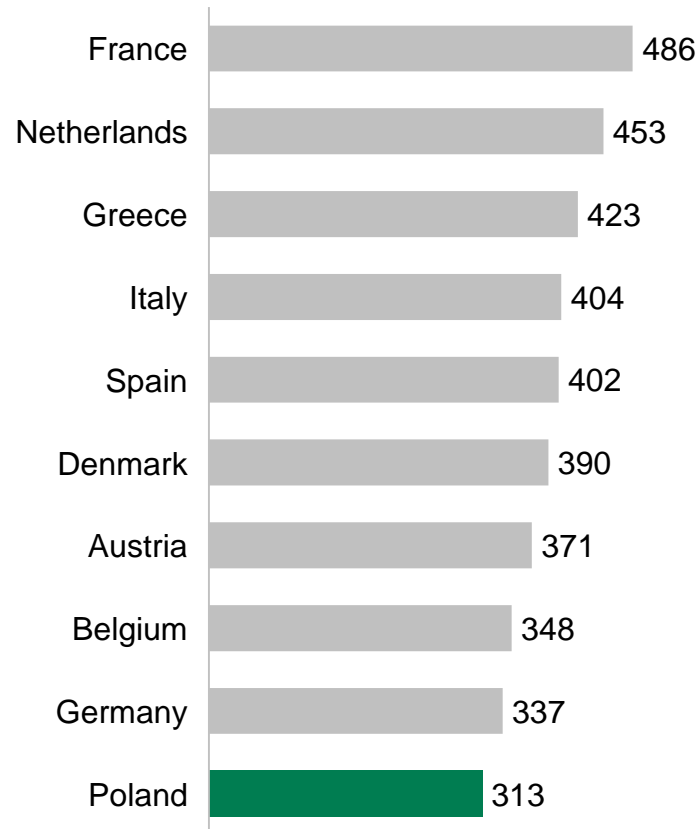
Source: BNP AGRO HUB analysis based on Eurostat data

Cheese prices in Polish exports are one of the lowest among major EU exporters

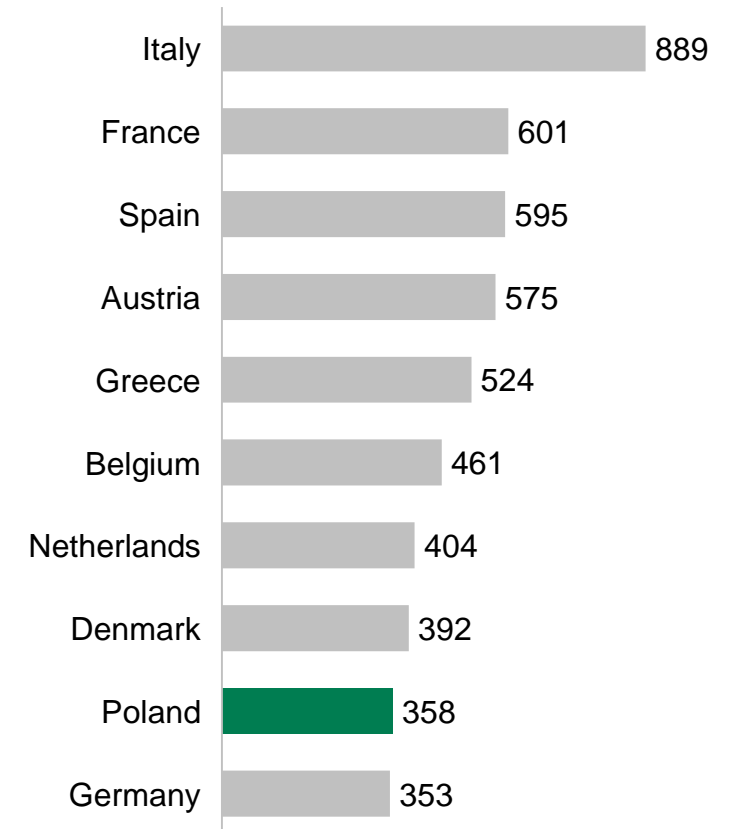
Export price of fresh cheese, EUR/100 kg



Export price processed cheese, EUR/100 kg



Export price ripened cheese, EUR/100 kg



Source: BNP AGRO HUB analysis based on Eurostat data

The EC announced record-high state support for sustainability investments, with particular emphasis on the regions most affected by the green transition

The European Green Deal budget & financing

Two key sources of financing the green transition:

1 The European Green Deal Investment Plan EUR 1 trillion (EUR 1000 billion)

- The aim of the Plan is to mobilize **at least 1 EUR tn (1000 EUR bn)** of sustainable investments **within the current decade**, with a key role of the European Investment Bank (EIB)

2 Just Transition Mechanism EUR 100-125 billion

- The Mechanism is to help mobilize investments worth **100-125 EUR bn** over the period 2021-2027 **in the most affected regions**, to alleviate the socio-economic impact of the transition

Thank you!

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Let us stay in touch!



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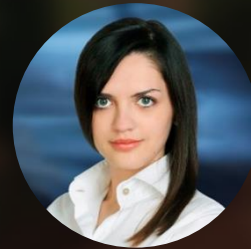
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