

AC PIENAS LT



ADDRESS/COUNTRY

Kokybės st. 1, Biruliskes, Kaunas region,
LT-54469 - LITHUANIA

LEGAL ORGANISATIONAL FORM

Agricultural cooperative

WEBSITE LINK

<http://www.pienas.lt/>

CONTACTS

Tomas Raudonius, The Chairman of the
Board of AC Pienas LT

Phone +370 37 210 518

E-mail: tomas.raudonius@pienas.lt

Mantas Rudaitis

Managing Director of AC Pienas LT

VIDEO, PPT, OTHER

interactive materials to present the coop

BaltMilk Lactoprima

[https://www.youtube.com/
watch?v=f6csyMvEe_8&t=30s](https://www.youtube.com/watch?v=f6csyMvEe_8&t=30s)
(English Language)

CONTEXT

/

INFO**YEAR OF CREATION**

2008

DESCRIPTION/MAIN ACTIVITIES

AC Pienas LT owns the milk protein plant. Since 2017 the most advanced milk processing plant in Northern Europe has been producing high-added-value milk protein products in powder shape - micellar casein, milk protein, milk filtrate and milk whey protein, also fresh liquid cream, by using state-of-the-art technology. Full control of the production chain, from dairy farms to the final product is owned by AC Pienas LT.

MAIN STAKEHOLDERS

member, clients, producers

The only members of the cooperative are 185 dairy farmers.

GEOGRAPHIC COVERAGE

1-service/goods production; 2-markets/consumers/beneficiaries

The products with the brand name LACTOPRIMA are exported to 42 countries all over the world.

REVENUE

In 2019, the largest dairy cooperative in the Baltic States, Pienas LT, received 68.7 million Eur income. The 32 percent increase in revenue (52 million Eur in 2018) allowed the company to earn 0,818 million Eur profit.

OWNERSHIP STRUCTURE

who/how many: shareholders/owners/members/worker members/ donors, ...

AC Pienas LT is owned by 185 members dairy farmers from Lithuania.

VOTING PROCESS

Pursuant to the Articles of Association of AC Pienas LT, each member has one vote at the general meeting of members of the cooperative. It is this meeting that makes the most important decisions on the issues of cooperative activities, outlining long-term strategic directions. The General Meeting elects 5 members of the board, who further form the entire policy of Pienas LT, make relevant decisions, approve milk purchase prices.

BENEFITS OF BEING MEMBERS

The members of the cooperative combine resources - financial, knowledge, practical experience and others - that are used for common purposes. Pienas LT is distinguished by the high business culture, therefore the benefits of membership in the cooperative are obvious. Members are guaranteed transparent and clear pricing, fair payment for milk, the opportunity to reduce production costs and the right to participate in AC management.

A member of the cooperative has the ability to manage its own and the joint business's risks. The economic logic of a milk processing company is rational - the more milk members produce, the more they will receive both for the raw material sold and for the products sold by the factory.

AC members receive no less than the average market purchase price. Clear and transparent pricing is approved by the members themselves at the general meeting.

If the situation in the dairy market changes, membership in the cooperative helps to reduce the risk of milk price fluctuations. The cooperative can manage the risks of falling prices because it benefits from several areas of the value chain: efficient logistics systems, transparent purchase prices, and sales of the dairy products. The products are stored in warehouses, so only profitable sales are planned. Members get some materials and services for milk producing cheaper. Consolidated offers of feed, fertilizers, fuel, electricity for the members enable to reduce prime costs of raw milk.

The financial benefits of a member of a cooperative come from several sources - milk production and additional benefits. This helps members reduce the cost of milk production. The administration advises members on dairy farm management issues. By becoming a member and paying for the shares, the farmer can increase his assets through

the increase in the value of the shares. Incentives are provided for the high quality milk.

Membership in the cooperative provides added value. Only Pienas LT members can influence the activities of the cooperative - they vote at the general meeting, propose amendments and make decisions. Fair, stable and high-quality milk testing and advice on the quality of the milk produced help members assess the health of their cows. If the member decides to expand his farm, he can consult with the cooperative's specialists about cost and cost savings.

**GOVERNANCE
AND MEMBERS
PARTICIPATION**

STRUCTURE/ORGANISATION CHART

The interests of Pienas LT are represented by the chairman of the board elected from the members of the board. The decisions of the board are implemented by the administration of Pienas LT plant, which is headed by the managing director.

ASSEMBLIES

how many, how, other assemblies than the General one

The regional meetings for the members are arranged once a quarter with participation of the chairman of the board and the head of the administration. They present quarterly business results, new project or interim results of existing projects at these meetings. During the meetings, the situation of the dairy sector in Lithuania, perspectives and opportunities of Pienas LT to participate in agricultural policy are discussed.

**COOPERATIVE
PRINCIPLES
BEST PRACTICES**

*Principles for which
the coop represents
a good practice*

PRINCIPLE 2. DEMOCRATIC MEMBER CONTROL

The agricultural cooperative “Pienas LT” is governed by the principles of mutual respect, understanding, transparency and honesty of the members. The maturity of each member and the ability to get involved in the joint work of the cooperative are important for the activities of AC Pienas LT. This has a direct impact on the cooperative community and each member individually.

Once per month the newsletter MILK NEWS is issued for the whole community of the cooperative. The dairy farmers as members of the cooperative and the employees are informed about the top news of the month, business results, plans for the next month or the next quarter. The best employees are announced as well as the national awards for the members of the cooperative. The topic with the reviews on Pienas LT by opinion leaders, other dairy farmers or member farmers, decision makers is also included in MILK NEWS.

PRINCIPLE 4. AUTONOMY & INDEPENDENCE

AC “Pienas LT” is the successful dairy farmers investment in manufacturing high-concentration milk proteins in Lithuania. AC Pienas LT is the largest milk farmers community in the Baltic States with its own milk processing company located in Lithuania. The dairy plant and the product line BaltMilk are fully owned by 185 member dairy farmers. They supply raw milk for manufacturing the BaltMilk milk protein products.

The productive capacities ensure the production chain starting with the supply of high-quality, safe and healthy raw milk conforming to the highest standards and finishing with its processing at our plant in Kaunas, Lithuania.

Dairy plant is the most advanced company in milk proteins manufacturing in the North Europe region, with few analogues all over the world. At the various stages of production, both classical and innovative high-concentration milk proteins production methods are integrated. AC Pienas LT develop innovative products with its own resources and available technological and technical bases.

Today Pienas LT high - value dairy products are produced for the global market and are sold in more than 40 countries around the world. The products are manufactured according to international quality and food safety standards and with certifications FSSC 22000, Halal and Kosher. Since 2018, Pienas LT plant has started to process organic milk and produce organic dairy protein products.

This community has struggled for many years to achieve its goal of being the owner of our business, realising an innovative dairy processing plant. For more information: <https://www.baltmilk.eu/en/>