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Going the Whole Hog

Idavang Group is a leading producer of pigs in the Baltic region and North-Western Russia. The company strives to be a leader and innovator in high-quality production while remaining conscious of ethical and environmental considerations.

Images courtesy of Idavang Group

Claus Baltersen, CEO of Idavang Group, has the vision of bringing the farming industry to the same knowledge, technological, and consumer-oriented standards as other food and medical industries. He started working on farms while still at school and has worked for a variety of farms across Denmark. He launched Idavang with two partners after leaving Denmark to establish his own business.

“We purchased our first company in Lithuania in 1999, and now we have 11 farms and produce 40 per cent of all pigs in Lithuania. The secret behind it is simple: We strive every day to handle our living products, the pigs, and the production line more effectively, using the most

advanced and innovative methods that can inspire us. This pursuit for improvement goes through everything we have done from the very beginning.

Claus regards this scale of farm management as a people business. “What I like is management and listening to people; I want to see how people think and feel. I don’t have a higher education in management, but I hope it makes me more humble, listening to other people’s ideas and knowledge.

“I’m also very much interested in seeing how other people are doing and then implementing elements into my company. That is actually how I’ve learned to develop myself; it’s not so much by studying, rather learning by doing

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and listening to other people and their experiences. We have about 800 people here in Idavang today and there have been some times where I have been out of my skills, but one of the most important things for those in a leading position is to understand their own weaknesses, accept them, and then go out and ask for inspiration. Sometimes that’s not easy, but I think it’s a strength to accept that and as a CEO be able to ask for inspiration.”

Following years of successful growth in Lithuania, Idavang expanded its operations into Russia. “We were one of the first exporters of live pigs from Eastern Europe into Russia, starting in 2005 when the prices were very high. In 2007, we decided that it was time to try to make business in >



north-west Russia. The first farm we bought in 2008 was 60 kilometres south of St Petersburg. With about 5.5 million citizens in St Petersburg, and nearly no animal production in north-west Russia, it was the perfect marketplace for us to start, and today we are producing 180,000 pigs and we have a total of 9,000 hectares of land in Russia.”

A couple of years ago, Idavang amended its company values: respect and trust, responsibility to the environment, constant development and quality, and transparency and ethics. “All of our employees were asked to write down the values of our company. These values were grounded in the three families that started the company. So we developed them and put them on paper four years ago, but in a way they’ve been in me and in the company since the day we started.

“The values that really differentiate us from many competitors are not

only the constant focus on development but also the respect and transparency. What is very important for us, and has always been, is that you keep both legs on the ground, be visible as the owner of the company, and communicate, also meaning that there are no people more important than the others—the lowest ranked people you have beneath you as well as the CEO in the company. In Eastern Europe, especially in Russia, there’s a tradition that if you are the CEO then you’re not particularly respected by the lower ranked people, so we’ve turned that around to say that there is no one more important than the others. So we try to have a very flat organisation, respecting each other and also respecting the animals. That’s also a cultural challenge.”

“When you are a family-owned company then you can act a bit faster. When we are making a decision, we can act immediately; we don’t have to wait until

tomorrow. And it has been that way since 1999 and is still the same today. To give ownership and responsibility to our employees is something that has been there from the beginning. I can’t do everything alone, so when you have a person that is interested in taking on more, I’ll gladly give more and more responsibility to those people and let them develop themselves and the organisation they’re working in.”

While Claus is both owner and CEO of the business, he still works closely with the people of the organisation and believes in having a flat hierarchy. “Over the past 15 years, it’s been a natural thing because they know how I drive the business. Most of our people have been with us for many years. We don’t have a high turnover, particularly in top management. In Lithuania, on each of the 11 farms, we have a local manager who has all responsibilities—and possibilities. We have a Danish production

director who oversees things and best practices, but the farms are managed by the local manager. I started working with the people from the very beginning, and our managers are educated in our company, not only in pig production, but in management and leadership skills as well.

“One of the biggest responsibilities for our production director is, for each position he has, he needs to have two people standing just behind. If someone leaves or anything happens, there needs to be someone who can step in. And for the constant development to be possible, each time we buy a new farm, we are ready to staff it from the top and run it in the Idavang way of management.

Claus notes how important environmental issues are to Idavang and how seriously the company approaches them. “I would say there are three things that are very important in our company. The first is people, then the environment, and then animal welfare. The last two things are things that we’re working on under local rules. For example, in Russia, animal welfare is something that doesn’t exist. We are working as an international company; we have the Danish government [the IOE or Investment Fund for Central and Eastern Europe] as an investor, we have the IFC [International Finance Corporation] as an investor, and they have requirements regarding the environment and animal welfare. We are always working at the highest level possible because sometimes the local rules are a bit stricter than the European or Danish rules are, so we’re always working at the minimal cross-border standards.”

“In Lithuania, animal welfare is in accordance with the European laws, but we have been a step ahead in animal welfare and especially in environmental since the day we started compared to our competitors. The requirements are getting harder and harder, but we’ve invested in new, often advanced, solutions since the



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beginning. In terms of environmental, how we are storing our waste from production, we have invested into closed and monitored lagoons, and we are investing in a lot of additives that we can add indirectly into a barn and into the feed to minimise air pollution, which means less ammonia and less smell; so we’re taking care of the neighbours, too.”

“We invested also a lot in how we take care of the waste from the lagoons and out to the fields. We are cooperating very well with the local farmers in Lithuania who are taking the waste from our production, so it’s suppling the fields in the right way. Last week we were nominated in Lithuania as the third greenest company in the country, which we are very proud of. We have invested approximately six million euros in Lithuania over the past three years just in environmental issues. In Russia, we have our own land where we are using the waste from the production as an organic fertiliser for our fields, where we’re cropping the grain for the pigs.”

Taking a strong focus on the environment helps ensure

Idavang’s future as a business and as a corporate citizen. The organisation continues to expand in Russia and increase its footprint within the region. “Last year we finished our greenfield project in Ostrov, Russia, and as we’ve been developing, we’ve been buying new grounds. Our focus on constantly developing and optimising our production results in a lot of internal training for our people. Our plans for the future, mainly in Russia, mean that we will start to develop a carbon copy of this greenfield project that we finished last year. This project is 5,000 hectares of land with a production of 100,000 to 120,000 pigs.

“In Lithuania we don’t have very big investment plans in new production plants because there’s a limit on how big you should be in one country. But we are going to invest quite significantly, for example, in biogas plants. So we started up two projects this year and we’re building three more projects in 2015, and in 2016 we will build another three biogas projects. So we never stop striving to do better.” •

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