

## ROMANIA

### Farm's performance, restructuring & modernisation

#### Location

Ialomița

#### Programming period

2014 – 2020

#### Priority

P2 – Competitiveness

#### Measure

M04 – Investments in  
physical assets

#### Funding (EUR)

Total budget 4 925 239  
EAFRD 2 055 056  
National/Regional 407 563  
Private 2 462 620

#### Project duration

2016 – 2019

#### Project promoter

SC AGROSERV MĂRIUȚA SA

#### Contact

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#### Website

<https://laptariacucaimac.ro/en/all-about-laptaria-cu-caimac/>

Setting up a milk collection and processing plant to create added value and enable the farm to diversify its products and respond better to consumers' needs.

### Summary

Mădălina and Adrian Cocan, had accumulated ten years of marketing experience in advertising agencies and corporations. So for them it was a natural next step to set up a milk processing plant, situated next to Mădălina's parents dairy farm, and to create a new brand of dairy products.



Investment support from the Romanian Rural Development Programme (RDP) enabled them to build a milk processing plant that uses milk from the family farm, along with other locally produced milk, to create a range of high-quality dairy products. The development of the 'Lăptăria cu caimac' brand was key to enabling their products to become available on the shelves of most Romanian hypermarkets and eventually, abroad.

### Results

The project generated added value and enabled the family farm to diversify its products and respond better to consumers' needs.

The new local brand allowed customers to become more familiar with the farm's products.

Five new full-time jobs were created.

Obtaining IFS 6.1 certification in April 2021, which is necessary for exporting food products, is perhaps the most important result as it opened up new opportunities for selling the farm's products in the European markets.

### Lessons & Recommendations

- ❑ The most important lesson learned through the project was the absolute need for adaptability. The initial plans did not always match the actual situations and their evolution. Adapting as the project progressed was a challenge, particularly managing the resources, the expectations and the effort. Flexibility and an out-of-the-box approach were key, including finding solutions in the most unlikely places. Importantly, one should not rely solely on their own experience and or information, believing that it is always sufficient.
- ❑ Ensuring the availability of accessible sources of co-financing is vital for physical investment projects. In recent years, the Ministry of Agriculture and Rural Development set-up protocols and agreements with most of Romanian banks to provide accessible co-financing rates to farmers.

## Context

The dairy farm AGROSERV MĂRIUȚA was initially set-up in 1994, providing milk solely for the family's consumption. In 1998, it evolved into a small milk farm and as of 2018, the holding had grown to include 2 500 cows, of which 1 000 are milking cows. The cows are raised in semi-open shelters, which ensures that good animal welfare requirements are fully met. The farm is also part of the RomLacta cooperative, one of the largest cooperatives of dairy farmers in Romania. RomLacta has 14 members and produces over 100 tons of milk per day. Founded in July 2012, it aims to promote the interests of its members and support them in the process of developing and streamlining their businesses.

Mădălina and Adrian Cocan founded the 'Lăptăria cu Caimac' (the Creamy Milkfarm) brand, when they joined Mădălina's parents farm. The couple had marketing experience from over 10 years of working in advertising agencies and corporations. Taking advantage of their background and experiences, they set up this project to develop a processing plant and setting-up the new brand, Lăptăria cu caimac, which is now widespread on the shelves of hypermarkets in Romania.

## Objectives

The project objectives included to:

- Improve the general performance of the holding by increasing its competitiveness, diversifying its activities and increasing the quality of products obtained; and
- Increase the added value of its products by investing in processing at farm level and direct marketing of its products through integrated food chains.

The dairy also aims to export its products to foreign markets by 2021 and become carbon neutral by 2030.

## Activities

The project activities included the construction of a milk collection and processing plant near the farm. The close distance between the plant and the farm facilitates the short and hygienic transportation of the milk from the farm, as well as from the other collaborating producers, to the processing facility. The construction of the plant took a year and a half, and the value of the initial investment was over €5 million. Almost half of the funding came from

the Rural Development Program 2014-2020. The rest of the investment costs were covered by bank loans, which will be repaid in eight years, as well as the beneficiary's own funds.

The necessary equipment was also sourced to produce high-quality milk and products. The main differences between the creamy milk produced by the farm, and similar ones produced by other brands on the local market, is that it has a shorter shelf life of 14 days. The new plant applies new processing techniques, which involve the use of a lower pasteurisation temperature than usual, to maintain the milk's taste as close as possible to fresh raw milk, and not to lose its healthy natural nutrients.

The processing plant also acquired the IFS 6.1 food standard certification. This required a thorough audit to be conducted in early 2021 and verifying compliance with numerous technical requirements. These include: raw material management and specific analyses, to prevent possible contamination; having suitably maintained and calibrated equipment; ensuring the traceability of their products to suppliers; having hygienic management systems in place for infrastructure, spaces, equipment and operating staff and have checks and good practices in place on food safety and compliance with current legislation. The audit was carried out by the Lloyds Register, and will require an audit to be carried out annually to maintain the certification.

The milk processing plant has a total capacity of 73 288 litres per day, which is processed, as follows:

- 20 000 litres whole milk;
- 18 288 litres unskimmed milk;
- 3 000 litres acidophile/ healthy, fermented products (sana, sour milk, kefir, yogurt);
- 20 000 litres condensed milk; and
- 12 000 litres milk for cheese.

The dairy products are sold in glass bottles to reduce the excessive use of plastic/PET packaging.

Almost two thirds of the processed milk (63%) is collected from local and regional producers with the remainder (37%) coming from their own production. Additionally, a website was set up, through the project, to sell products directly to the consumers and clients.

## Main Results

By setting-up the processing unit, the beneficiary created added value and diversified its products and can respond better to the needs of consumers.

Establishing a new local brand allows customers to become more familiar with the farms' products.

Five new fulltime jobs were created.

Through the new processing plant, the potential of both the area and the local producers has increased.

The project also supports generational renewal. The holding and livestock are still managed by Nicușor Șerban, while the processing unit is managed by his daughter Mădălina and her husband Adrian Cocan.

Obtaining IFS 6.1 certification in April 2021, which is necessary for exporting food products, is perhaps the most important result as it opened up new opportunities for selling the farm's products in the European markets.

## Key lessons

The most important lesson learned through the project was the absolute need for adaptability. The initial plans do not always match the actual situations and their evolution. Adapting as the project progressed was a challenge, particularly managing the resources, the expectations and the effort. Flexibility and an out-of-the-box approach were key, including finding solutions in the most unlikely places. Importantly, one should not rely solely on their own experience and or information, in the belief that it always is sufficient.

Fostering cooperation between producers to access EU funds on joint processing and farm development projects were regarded as difficult issues during the previous programming period (RDP 2007-2013). Furthermore, performing physical investments requires co-funding either through a secured income, or availability of own resources to cover the co-financing. During recent years, the Ministry of Agriculture and Rural Development set-up protocols and agreements with most of Romanian banks to provide accessible co-financing rates to farmers.

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### Additional sources of information

<https://laptariacucaimac.ro/despre-noi/> ;

<https://www.milkfarm.eu/>

[www.bestjobs.eu/en/companies/agroserv-mariuta](http://www.bestjobs.eu/en/companies/agroserv-mariuta)

<https://laptariacucaimac.ro/en/produse/>

<https://youtu.be/Z3TyALjVPH0>

<https://youtu.be/xlsI6KKgY0g>