

## ASPECTS REGARDING THE MILK AND OFFER AT S.C. ILVAS S.A. VASLUI

Florea Roxana-Ramona\*, Gîndu Elena \*

\* Camera Agricolă Județeană Iași, USAMV Iași

### Abstract

*The study regarding the milk and dairy products offer was made at S.C. Ilvas S.A. Vaslui, unit that has as its main activity the production and processing milk and dairy products. In the 2009-2012 period, the dairy cows number in Romania decreased with approximately 90 thousands heads, the most dramatic drop being registered in 2009, when approximately 40 thousands dairy cows have been slaughtered. However, the milk production maintained at approximately 600 thousands tones annually, due to an increase of the average production up to 2.900 l per cow. For this reason, the companies in the field maintained the recommended milk acquisition prices at the 0.7–1,0 lei/l level. These actions have attenuated in some sort the critical situation from the primary sector, affecting, however, the processing units' activity. The production stocks (butter, powder milk, cheeses) attested by the end of November 2012, according to the National Statistics Institute, in value indexes, constituted 101.3 mil. Lei and the unpaid credits for the collected milk were of approximately 14 mil. lei. In the 2009-2010 period, the dairy products marketing evolved very slowly, being reduced (in six months) with approximately 39 mil. lei and the stocks having the following values: butter -271 tones, powder milk -491 tones, cheeses- 623 tones, representing 62,1 mil. lei. To emphasize the most important aspect regarding the milk and dairy products offer at SC Ilvas SA" Vaslui quantitative and value indexes from the 2009-2012 period have been used.*

**Keywords:** demands, offer, market, dairy products, milk

### INTRODUCTION

Milk is one of the basic foods for all age groups and the raw material for a vary wide range of products.

The production and, implicitly, the milk and dairy products consumption registered a continuous increase at global level, but especially in the USA and in the EU countries. The world milk production is presently estimated at over 560 milion tones, from which Europe realizes approximately a quarter.

Worldwide, the milk and dairy products consumption per inhabitant represents an important indicator of the standard of living and for this reason, in the developed countries, the milk production represents 30–40% from the brut income realized in the agricultural production. **(Chiran A., Gîndu Elena, Banu A., Ciubotariu Elena-Adina, 2004)**

In our country, the annual milk production is estimated at over 5 million tones, the bovines participating with approximately 87% from the total milk production, the average production per animal exceeding 3000 liters annual.

The capitalization of the milk produced in our country is done differently. According to the present estimates, the majority of the milk production is capitalized in the own household or delivered on the free market.

The milk and dairy products consumption is different, depending on habits, and also on the actual production of the state or the respective region. For example, milk is being consumed in large quantities in Finland, Iceland, Sweden s.a, countries in which the annual consumption approaches or surpasses 200 liters/inhabitant. In other countries such as Belgium, France or Germany, a bigger preference for dairy products is noticed. **(Chiran A., Gîndu Elena, 2007).**

#### **MATERIAL AND METHOD**

The study was performed at S.C. ILVAS S.A. Vaslui and concerns the milk and main dairy products.

#### **RESULTS AND DISCUSSIONS**

Generic, in the marketing view, the offer represents the goods or services quantity that a trader is willing to offer for sale in a certain period of time. **(Zahiu Letiția și colab., 2005)** The offer, like the demand, refers to a certain price and can be looked at as an offer of an asset, of an industry, of a firm and as a total market offer. Of course, depending on the demand level, the quantity sold effectively can differ than the quantity offered. **(Marian C., Chiran A., Gîndu Elena, 2009)**

On the market we will meet the offer as its two components:

- Active offer;
- Pasive offer.

On the Romanian market, the fresh cow milk starts at a price lower than 1 leu/litter at farms and reaches 4-5 lei/litter “on the shelf”. **(Rusu M., (coord.), Giurcă Daniela, Luca L., 2007).** The price decreases will come just through production streamlining, the creation of more farmers cooperatives to engage in the same time and in the milk processing industry (Tab.1.).

The dairy products offer of SC „ILVAS SA” Vaslui is pretty wide. Among the company’s products we can include: standardized UHT milk, bagged pasteurized milk, canned pasteurized milk, , fresh cheese, butter, sower cream 15%, sower cream 20%, buttermilk, classic yogurt, diet yogurt, sana.

The production can be structured in 3 categories:

- Fresh products – standardized UHT milk 3.5% ug, UHT skimmed milk 1.5% ug., UHT semi-skimmed milk ug 1.8%, pasteurized semi-skimmed milk 1.8% ug., standardized whole milk pasteurized 3.5% ug., buttermilk, yogurt, skimmed yogurt , sana, sower creme 15% and sower creme 20% ug .
- Cheeses – fresh sweet cheese
- Butter–table butter

The assortment comprises packed products from 0.200 grames to 1000 grames for fresh products and from 0.500 grames to 15 kg for cheeses. The storage of dairy products is done in special arranged places where the temperature doesn't exceed 4oC.

The transport of dairy products is done with specialized vehicles, equipped with refrigerators, not to interrupt the cold chain and to prevent the products deterioration.

The items sold by S.C. ILVAS S.A. before the implementation of the modernization project (Tab.2) were adapted to the changes in the consumers demands.

The revenues from sales in the first two years after the projects' implementation registered an increasing evolution as following:

- 2009– 5 779 580 lei
- 2010 – 7 626 985 lei

**Table 1 The local milk markets of EU countries**

<b>Country</b>	<b>The total value of the dairy market (billions euro)</b>	<b>Sales per capita (euro/year)</b>	<b>Annual consumption of industrial processed milk (liters per inhabitant)</b>
<b>Irlanda</b>	0.98	980.0	94.7
<b>Danemarca</b>	1.87	340.0	76
<b>Olanda</b>	3.64	227.5	55.1
<b>Austria</b>	1.06	132.5	37.3
<b>Franta</b>	14.94	231.4	44.6
<b>Germania</b>	18.38	224.1	41.5
<b>Romania</b>	1.10	50.0	6.1
<b>Marea Britanie</b>	11.65	187.9	68.3
<b>Italia</b>	14.82	247.0	55.5
<b>Spania</b>	9.60	208.7	80.2

**Table 2. The sold items before the project implementation**

<b>Product</b>	<b>Assortment</b>	<b>Packaging</b>
<b>Drinking milk</b>	Fat 1.8%	Cardboard 1 liter
		Bag 1 liter
	Fat 3.0%	Cardboard 1 liter
		Bag 1 liter
<b>Buttermilk</b>	Fat 2.0%	Glass 370 gr
		Bag 0.5 kg
		Bag 1 kg
<b>Yogurt</b>	Fat 2.8%	Glass 200 gr
		Glass 370 gr
		Bucket 1 kg
<b>Diet yogurt</b>	Fat 0.1%	Glass 370 gr
<b>Sower creme</b>	Fat 20%	Glass 370 gr
		Bucket 1 kg
<b>Sower creme</b>	Fat 14%	Glass 370 gr
		Bucket 1 kg
<b>Butter</b>	Fat 65%	Aluminium foil (silver) 200 gr
<b>Fresh cheese</b>	Cream cheese	Casserole 500 gr
		Casserole 1 kg
<b>Cheese</b>	Wheel	Weight 0.5 kg
		Weight 1 kg
<b>Telemea</b>	Parallelepiped	Weight 1 kg
<b>Bellows cheese</b>	Bar	Weight 500 gr

## CONCLUSIONS

The economic results shown by the analysed indicators in a comparative way indicates the efficiency and effectiveness of activities undertaken as well as the efficient management of the involved resources (human, financial and material).

The galvanization of the products promotion activity and the utilization of a more aggressive marketing strategy in order to develop new markets and, thus, increasing the sales volume;  
Increasing the rate of supply with specific products of more remote areas and reducing the time intervals between consecutive supplies;

The correlation of the activity with the consequences of the current economic situation and careful observation of the fluctuations of the dairy products demand.

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