

## THE ESTABLISHMENT AND FINANCING OF A BISON FARM IN BIHOR COUNTY

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### **Abstract**

*At EU level, the surface of agricultural land used for family gardens is 0,2% of the total, but 52,1% of these family gardens are located in Romania, with the average country being 1,2%.*

*The fact that most subsistence farming in the European Union is carried out in Romania also results from the degree of fragmentation of agricultural holdings.*

*Romania's integration into the European Union in 2007 brought with it a difficult transition to market economy, felt especially in the agricultural sector. Subsistence farming is an important way of ensuring a living for farmers and, in many cases, rural and urban housing is based on food produced in the home or close relatives. In addition, the public perception is that household products are organic and of much better quality than imported food, available in supermarket and hypermarket chains.<sup>1</sup>*

*The mission of the farm is to provide customers with specimens of bison and meat of the highest quality, in order to offer customers a novel product with inestimable nutritional value, rarely found in Romania.*

**Key words:** bison, subsistence farming, business

### **INTRODUCTION**

SC The healthy bison S.R.L., starts its activity in 2019 with a herd of 42 bison, of which 40 are females and 2 are males. The farm initially has an area of 65 ha of pasture and 25 ha of arable land. The 65 ha are divided into two large pens where the bison are kept. Of the 65 ha of pastures, 35 ha are in the possession of the farm, and the difference of 30 ha is taken by lease from the Association of Grazing and Foresting INFRĂȚIREA BATĂR.

### **MATERIAL AND METHOD**

The methods used in this study were diverse: the historical method, the comparative method, the descriptive method, the sociological method, the logical method and the analytical one, their aim was the systematic analysis of the

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<sup>1</sup> Alecu I.N. 2013, Situația agriculturii și a exploatațiilor agricole în țările membre ale Uniunii Europene, Editura Ceres

information selected from the sources studied in order to develop personal points of view and conclusions about the stated objectives.

## **RESULTS AND DISCUSSION**

The farm's mission is to offer customers specimens of bison and meat of the highest quality, in order to offer customers a unique product with inestimable nutritional value, rarely found in Romania.

For the next perspective, we want to develop this business as much as possible both for meat consumption for potential customers and for activities related to rural tourism. Being a farm whose field of activity is the breeding of American bison, it is something new in the area, especially, and this attracts tourists. Groups of pupils and students interested in the activity of the farm, in the animals that are not specific to the place and are not met too often or even interested in the running of the business itself.

The business is being set up with the help of European funds. The owners access the support for the installation of young farmers, through which they obtain non-reimbursable support worth 60,000 euros. Thus, the project has an implementation duration of 5 years. These funds will buy the livestock and agricultural equipment needed to produce bison food, supplementing grazing.

The SWOT Analysis:

**A. Strong points:**

- Experience in the field of agriculture and animal husbandry;
- Cheaper labor compared to the urban environment;
- The bison is an unpretentious animal-being a wild steppe animal;
- Bison meat is considered "high premium";
- The rarity of the activity of this farm-vegetable crop combined with the raising of animals-> the breeding of American bison;
- The existence of the fertile soil necessary for the cultivation of cereals necessary for animal feed.

**B. Weaknesses:**

- It is difficult to manage being a wild animal;
- There are high costs for feeding and maintenance;
- High costs in terms of pens in which they are kept-being resistant strong pens;
- Lack of equity;
- The level of development of human capital is lower compared to the urban environment;
- Investing in the qualification of local staff;
- High cost of purchasing an American bison;

**C. Opportunities:**

- Partnership with SC Euro Buffalo SRL;
- Positioning the locality in the plain area-the possibility of expanding from an unlimited territorial point of view;

- Option to access non-reimbursable European funds for farm development;
- Increasing the standard of living in the locality.

-The subsidy offered by the state per head of animal and per hectare of land.

#### D. Threats:

- The disease "Malignant bluetongue" that is transmitted from sheep or lambs;
- Unstable agricultural legislation;
- The educational system in Romania is quite little related to the requirements of the labor market.

In order for the "Healthy Bison" farm to be able to carry out its activity as well as possible, the management and execution staff is needed, which is in accordance with the necessary skills and knowledge and is structured on salary categories:

Nr. Crt.	function	Gross Salary (lei / month)
1.	Administrator / Zootechnical Engineer	3,000
2.	Agronomist Engineer	2,500
3.	Veterinarian	1,000
4.	Workers	2,500
5.	Tractors	2,500

The administrator of this farm is a graduate of Animal Husbandry and Engineering and Management in Public Food and Agrotourism, thus, he deals with both administrative affairs and animal feed rations. He also has a gun permit needed to stun the bison, being the only possible way, given that we are talking about wild animals.

The veterinarian does not have to be permanently on the farm, so he is employed on a 2-hour basis, being called only when needed, and twice a year all animals go through squeeze chutes.<sup>[2]</sup> for weight verification, vaccination and eartags.

The workers (2 in number) have the task of putting the food and preparing the fodder for the bison. Because the feed is done with the tractor, a man must be to close and open the gate every time the tractor enters the pens. And the tractor drivers (2 in number) take care of the agricultural work.

The farm will help the sustainable development of Tăut by encouraging the use of local labor, by promoting tourism in the area, by attracting European structural funds, improving infrastructure and last but not least by increasing the level of revenues collected from the local budget.

By promoting the farm and visiting it by tourists (pupils, students or just curious) the locality is also highlighted, and by the example of good practice they will certainly be willing to bring something unique from other areas in the area, on the principle "If they can , why can't I? "

a. Product description:

The business plan aims to launch a new product on the agri-food and livestock market, involving the activity of breeding and marketing the bison.

The American bison is a ruminant in the cattle family and the feed is similar to that of Angus cows. It is a wild steppe animal, so far no methods have been found to domesticate it.

For a genetically controlled breeding, groups of 25-30 cows with a compatible bull are formed, groups that move freely in 30 ha pens.

The products obtained from breeding are sorted, the males being sold mostly alive, and the females kept for breeding. Due to the high demand on the food market, some males, after about three years, reached the optimum slaughter weight (700-1000 kg) are processed in the slaughterhouse and delivered as a carcass.

b. Market segment:

This product is addressed to niche businesses that sell rare and luxury products, but also to those who want to develop a similar business.

The advantages of the business stem from the innovative character which consists in the premiere growth of the American bison in the Tăut area and in the high premium quality of the meat.

The population is on an upward trend towards a healthy lifestyle, we are looking for quality products that have superior nutritional qualities, and the pandemic has not changed this. Bison meat has always been addressed to niche customers, and the pandemic has done nothing but make these customers even more eager to adopt a healthier lifestyle in order to have a strong immunity.

c. Market location:

It is sold in Romania in the form of a carcass in restaurants such as Piata 9 or the Slavia Hotel (in Bihor County), as well as live abroad in countries such as Kazakhstan and the Czech Republic.

We want to enter the menus of several restaurants in the Bihor area such as *Allegria, RA-Bistro & Caffee, Rivo, Spoon* (Oradea); *Restaurant Ancora, Milenium, Mădăras Inn* (Salonta area); *Principesa Margareta Guesthouse, Time Out* (Beiuș).

A broad, in countries such as France, Kazakhstan we export live specimens. The export is done by plane, the animals are locked in large metal boxes, they are transported in maximum safety.

d. Application features:

Demand for bison is low because it is a niche product. On the other hand, for economic operators marketing this type of product, the demand is unsatisfied, as there are not enough local and national producers on the market.

e. Possible risks:

Regarding the risk factors that could negatively influence the demand are: high costs in terms of production and marketing, which implicitly lead to an increase in the selling price.

Another risk is unstable weather conditions. Also, contact with malignant catarrhal fever from sheep and lambs is a risk, being fatal to bison, due to the fact that it is a very strong animal, it leads on its feet until the last phase of the disease, when nothing can be done.

### **Marketing strategy**

a. Product policy:

The marketed product has two components: the carcass and the live animal. Both are rare and new products on the local market.

Bison meat, one of the healthiest types of red meat, rich in vitamin B, an excellent source of iron and zinc \, with fewer calories than beef, slightly more expensive than Angus beef, a tender meat, considered a luxury product, it also penetrated Romania.

The largest bison farm in Europe is located in Bihor, near Salonta; 800 specimens are raised on the plains of Salonta by an Austrian investor. It exports meat to the Czech Republic, Kazakhstan and France, but also has orders in the country.

The product has reached the menus of local restaurants where we find it in the form of steak, goulash or burger with bison meat.

In the case of bison meat, the fat-protein ratio is better than in beef and other types of red meat available on the Romanian market. From this point of view, bison meat is an excellent alternative for those who want to eat leaner and healthier red meat.

b. Price policy:

The activities of obtaining this product involve high costs, which implicitly leads to high marketing costs.

Being considered a luxury product, a premium product is obvious that the price of this product will be high. Bison meat sells for 10 euros / kg, and a specimen under one year can reach 1750 euros.

In restaurants, in Oradea, a burger with bison meat costs 35 lei, while a burger with bison meat on the menu of a restaurant in Salonta costs 29 lei. A steak can reach 200 lei.

c. Distribution policy:

The distribution is made in the country in the form of a carcass in restaurants in the Bihor area, and in the form of live specimens abroad - the Czech Republic, Kazakhstan and France.

This farm, whose main object of activity is the breeding of American bison, is not difficult to find channels, because their product is addressed to niche customers, and after it reached the market and the demand began to grow, the number also increases customers.

d. Promotional activities:

The promotion of the business is done through its own website, on social networks, through the media, respectively radio and by participating in agri-food fairs.

We place billboards at the exit from Oradea to Arad, in Salonta and Beiuș, on which to appear the address of the farm.

We also propose to restaurants that sell products based on bison meat to advertise our products, to highlight them.

### **Financial analysis**

State subsidies:

- Per animal head: 98 euros;
- On a ha of arable land: 175 euros;
- On a ha of pasture: 140 euros;

A bison under one year is sold for about 1750 euros, and one over 3 years for about 1900 euros and weighs about 700-800kg. If it is sold in a case, the cost is 10 euro / kg.

The cost borne by the company for slaughtering a bison is 150 lei.

Nr. Crt.	Naming of the indicators	Year 1 (lei)	Year 2 (lei)	Year 3 (lei)
1	Buildings, land, landscaping and animals	585,350	0	0
2	rent	0	10,000	20,000
3	Expenditures on raw materials	34,500	35,000	40,000
4	Fuel expenses	30,000	30,000	35,000
5	Staff costs	340,000	340,000	500,000
6	Slaughtering expenses	300	1,650	5,850
7	Export costs	100,000	100,000	200,000
8	Other expenses	7,000	8,000	9,000
9	<b>Total expenses</b>	<b>1,097,150</b>	<b>524,650</b>	<b>809,850</b>

Nr.crt.	Name of indicators	Year 1 (lei)	Year 2 (lei)	Year 3 (lei)
1	Non-refundable funds	526,815	0	0
2	Subsidies per head per animal	22,569	37,416	46,432
3	Subsidies per ha of arable land	36,225	52,325	60,375

4	Subsidies per hectare of pasture	28,980	41,860	48,300
5	Revenue from the sale of bison	0	177,100	
6	Revenue from the sale of bison in carcasses	70,500	361,900	
7	<b>Total income</b>	<b>685,089</b>	<b>670,601</b>	

Nr. Crt.	Naming of the indicators	Year 1 (lei)	Year 2 (lei)	Year 3 (lei)
1	Income	685,089	670,601	1,618,207
2	Costs	1,097,150	524,650	809,850
3	<b>Advantage</b>	<b>-412,061</b>	<b>145,951</b>	<b>808,357</b>

## CONCLUSIONS

In agriculture and animal husbandry we first invest, and then we reap the fruits;

The success of the business is guaranteed by offering on the market a high premium product whose demand is insufficiently satisfied;

The business encourages the local workforce;

It contributes to the development of the locality through taxes and at the same time of the rural tourism;

The pandemic affected all sectors of the economy, but to a lesser extent the food sector.

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