

## SUCCESS STORY ABOUT THE PROMOTION OF THE MOUNTAIN PRODUCT

Vasile AVĂDANEI \*, Irina Simona AIONESĂ

National Institute of Economic Research "Costin C. Kirițescu",  
Centre of Mountain Economy CE-MONT, Petreni no. 49,  
725700, Vatra Dornei, Romania

\* Corresponding author: [vasileavadanei2004@yahoo.com](mailto:vasileavadanei2004@yahoo.com)

### Summary

The mountain product was identified and defined in order to contribute to the development of the mountain area. The driving force of mountain development is entrepreneurship, the ability of mountain farmers to get from subsistence food production to performance food production, capable of making a “visible” contribution to the world food problem. The impact of the businesses associated with the mountain product consists of multiple effects: social (jobs, independent activities), economic (profitability), ecological (association with ecological product attributes), technological (improvement of equipment and know-how). Through the mountain product, the gradual transition from extensive production to intensive production is made. Through entrepreneurship, the transition to pluriactivity is made in the mountain area, in which several business sequences are combined on a kind of restricted stock market that can be permanently optimized. We aim to present a successful example, in which a family of mountain entrepreneurs evolved over 30 years, in which different entrepreneurial solutions and beneficial access to financial resources created the conditions for defining and sustaining a market niche and successful sustainability.

**Keywords:** mountain product; mountain producer; mountain entrepreneurship; pluriactivity; family business; business transfer.

### INTRODUCTION

Mountain development is conditioned by a number of factors and endangered by several problems, one that stands out being communication which is significantly unclear. The factors that contribute to this “fog” are due, on the one hand, to the fatalistic way of life and work, always at the mercy of nature which maintains a precarious state of affairs: hard work, poverty, lack of means, degradation of heritage, lack of resources. On the other hand, there is also a lack of interest on the part of the state who displays preferential treatment (rather the agriculture on the plains than the one on the mountains), the inconsistency of financial support, circles of interest (sheepfold dogs scare the wild game, etc.), lack of legislative coherence, lack of dialogue with the civil society. In such an authority vacuum, “organized crime” finds its way: the lumber industry mafia, cigarette trafficking at the border, delaying the modernization of transport networks.

If one wants to look for examples of successful entrepreneurship, we find that such cases are very rare. They are highlighted by local patriotism, capitalizing on available resources, capitalizing on local potential, attracting funds, covering market niches.

In any limited time interval, two types of voices are heard:

- on the one hand, there are those who lament the difficult situation, the poverty, the desire to do something, the lack of means, especially financial ones, the lack of resources, the destruction and degradation of the associated heritage;

- on the other hand, new companies or expanding companies that bring a regenerating entrepreneurial spirit and that constitute examples to be followed by other mountain owners with latent entrepreneurial skills or in the process of being activated appear more and more frequently.

In reality, in the rural environment there is an intense activity generating means of existence that can be transformed into sources of income and jobs. They need a motivational catalyst and decisive counseling in overcoming constraints and cultural limits, moving into an entrepreneurial paradigm adapted to the mountain economic environment. In the rural business world, there is a perception that mountain rural entrepreneurship is more intensive than plain entrepreneurship. This finding has realistic aspects because of:

- the life of the mountain people is harder and leads to actions close to the limits of subsistence: “work, otherwise you’ll die of hunger”;
- difficulties in practicing mountain agriculture due to the rugged terrain;
- lack of investments during the transition from manual and animal agriculture to mechanized agriculture: there was discrimination in the second half of the last century due to not belonging to the collectivized agricultural system in Romania;
- the lack of resources for investment due to the quotas that peasants in non-collectivized areas had to pay to the state. All surplus income was confiscated by the state through abusive fiscal mechanisms.

By the nature of the constraints, the peasants were forced to use means of evasion.

The farmers do not harmonize with each other either. A primitive form of annihilation of competition is manifested, there is an arrogance of some business owners who consider themselves the only ones that have knowledge, the only skilled ones, the only ones from every point of view. They have always existed and generate acute forms of opportunism.

And yet there were cases and examples of success, within the legal limits, that proved viable and encouraged imitation. Unfortunately, imitation is timid and sensitive to the exaggeration of obstacles and constraints of a financial nature. In addition, there is a suffocation of approvals and permits. In a way, they prove necessary and force the entrepreneur to operate according to written rules, to keep records, to define traceability, to ensure hygienic conditions and the safety of work and intermediate products. But what turns out to be suffocating are the inspections that exaggerate their role and often turn into abuses: the basic rule of an inspection is: “the businessman must be wrong somewhere”. The immediate reaction is transformed into the tenacity with which entrepreneurs oppose these exaggerations and are forced into evasions.

## **STATE OF THE ARTICLE**

In general, entrepreneurship (Ghenea, 2011) in the rural environment has small dimensions, this aspect being argued by the abundance of resources available locally and the absorption capacity of the market. Subsistence entrepreneurs have a small business and do not think about expansion because they do not see favorable premises (Pascaru et al., 2005).

There is a sequence of options that define the peasant strategy, as follows:

- to work in the household with what we have now;
- to make a loan to invest in the household;

- to work for a company (to get a salary), to work for the state;
- to take out a loan and start a business;
- to go where it's better to earn. (Small, 2005).

The connection between the peasant household and the rural economy has been established since the interwar period. (Popescu & Istudor, 2017). Thus, it was interpreted that the multitude of activities in a peasant household constitute equivalent sources of income that become an important source of survival.

Economists (Popescu, 2013) are increasingly convinced that the association between the peasant household and income-generating activity is not viable because it is focused on achieving food sufficiency where measurements are made on the basis of total income. On the other hand, the peasant household also has a social component that is measured by the degree of coverage of the household's needs. In these conditions, several interdependencies are associated at the household level, including: the traditional system, the family of farmers, the economic efficiency criteria. If the system is extensive, the threshold of full satisfaction of needs can be reached, but the demand needs to be strong. Otherwise, it is necessary to adopt an intensive system open to the market at the household level.

By comparison, an agricultural exploitation is also aimed at satisfying social needs, but at the community level. Therefore, they are differentiated by the ratio between the net income (for the agricultural exploitation) and the gross income (for the peasant household).

The issue of financing mountain businesses began to concern the Romanian state after 1990, especially after Romania's accession to the European Union. Our country became part of the Common Agricultural Policy and took important steps in expanding in Romania the reforms aimed at the economic and social development of the mountain area. Intervention areas were progressively defined for the financing of mountain agriculture aiming at reaching performance indicators that highlight developments and improvements in the work and life of mountain farmers.

Thus, the national strategic guidelines for the sustainable development of the under-privileged mountain area within the National Rural Development Program (PNDR) 2014–2020 also included measures to finance entrepreneurial initiatives for the mountain area. Young people were considered. Thus, just for submeasure 6.1. "Support for the establishment of young farmers" were received 919 financing applications, in the amount of 45 million euros. From an economic point of view, the peasant household is a micro-enterprise that provides its members with goods, food products, monetary gains by selling the surplus produced.

So there is a set of activities aimed at financing family farms, which village farmers use to grow their businesses step by step or to artificially extend their viability.

The European Union regulated a framework for defining the mountain product as an optional designation of origin (Euromontana, 2017, Commission Delegated Regulation, 2014), with which different manufacturers certified their products and gained more trust on the market. Studies have been carried out for the pre-establishment of traceability (Doğu & Şireli, 2016), for the design of the label and its impact (Grêt-Regamey et al., 2012; Mazzocchi & Sali). In Romania, normative acts were issued regarding the attribution of the name "mountain product" (Decision no. 506/2016, Order no. 174/2021).

The authors have also carried out studies on the administration of income-generating activities in artisanal cheese manufacturing (Avădănei et al., 2014), at a mountain peasant farm (Avădănei et al., 2016).

In this paper, we will express a farmer's point of view on how funding helps him navigate a complex path to fulfilling entrepreneurial dreams. One of the keys used is pluriactivity interpreted as the production of several assortments that have a staggered period of interest on the market.

## THE PRINCIPLE OF THE METHOD

Writing a success story in a socio-economic area such as Țara Dornelor is a form of promotion and recognition of the worthiness of the people here. The factors that create the story display themselves through wonder (why can he and I can't?), urge to imitate (building similar businesses), stubbornness in the face of nature and fellow humans and the order imposed by monopolistic means.

The pillars of a successful business are diverse:

- coming into possession of an inheritance: it is a contribution of resources, experiences, popularity, missions, the fulfillment of a dream, proof of courage, entering into action. In fact, all these are the attributes of worthiness.

In Țara Dornelor we identified several examples where entrepreneurs have managed to break through the barriers and reached a level of production that propels them into leadership positions on a local scale, which is made possible by the correlation of available resources with processing capabilities and exploitation capacities.

A mechanism found in Țara Dornelor for describing a successful business consists of a complex path and the fulfillment of certain conditions:

- the challenges are overcome and there is full control over the business;
- the entrepreneur is part of a family with great traditions in animal husbandry;
- several generations of real mountain farmers can be identified in the genealogy;
- there are skills acquired in school (proven with a diploma) and with the skill with which he makes and presents the products;
- he inherited a passion for animal husbandry;
- he takes up the mission of continuing the family tradition.

An incursion into the personality of the successful entrepreneur highlights facts that announce him as a true competitor:

- is an income-generating activity profile common to the Țara Dornelor development area – "Raising dairy cows".
- watched a lot of reference elements and wished he had them too: he saw examples, visited farms, visited exhibition stands, came home and went to work; he also wanted "a country like abroad".

He made his own self-assessment in which he tried to be as objective as possible:

- he received an inheritance that he had to increase: a farm with 7 milk cows;
- he had a source of income;
- he worked hard on his own farm.

He wanted to change something. He activated the vision he associated with the mission. He sought funding resources for investment.

He "discovered" the need for innovation. For a niche market and a competitive advantage, you need to embrace the new and constructively combine it with the traditional.

We agreed to build together a success story about his business that would make him known on the local and regional market. We used the “ingredients” of a storytelling that we adapted in order to promote an image in line with the ambitions of the *farmer* and his family.

The benchmarks for this model were a succession of dreams that he managed brilliantly:

- dream management is part of a personal professional motivation capable of evolving in conditions of risk and uncertainty;
- dream management involves a progressive increase in self-esteem for upward continuity: “great deeds give birth to great ambitions”;
- the realization of dreams is favored by harmonious communication in the family;
- through the multiple family (“several generations under the same roof”) portions of dreams are shared and transferred from one generation to another. The mission is strengthened;
- the realization of dreams has a counterpart in reality: physical work, theoretical knowledge and practical knowledge, creativity and innovation, as well as a special tenacity.

Our farmer was distinguished by a carrier dream and several accompanying dreams that, through agility, gave him long-term stability. This is how he used the attributes of pluriactivities.

## RESULTS AND DISCUSSIONS

The first step was taken by taking over a company with potential, previously established and operating at the limit of financial self-sustainability. However, the history of the company includes several generations of worthy mountain farmers. The reason for the hand-over was related to the need to reduce the number of milk cows. The reason for the takeover was to go through the steps for the transfer of the business rather than to establish a new one.

A helpful step was the graduation by the future administrator of the Agricultural High School in Rădăuți, specializing as a veterinary technician. Upon graduation, the young man was ready to take on life and develop professionally on a motivating path.

The entrepreneur himself has a history of his own made up of dreams that he has fulfilled with effort and satisfaction.

### **a. Dream 1: to have a farm like on the TV news**

Our farmer had his first dream upon graduating from school. He was young, full of energy, but also realistic. He decided to take up livestock farming. Then he saw on TV, on the show “The Farm” (TVR), a complex organization of stables and activity. He saw that livestock farming can be done without a lot of work, if you know how to put the machines to work. He compared the experience to that of his family, where his grandparents considered themselves to be performing with a herd of 12 dairy cows. For the grandparents, a lot of work was something natural, for our farmer, mechanization had to bring him earnings and profit. And so it was.

### **b. Dream 2: fundraising**

In 2004, the entrepreneur benefited from H.G. 865/2003 regarding direct state support granted for the construction of dairy cow shelters, as well as for the purchase of heifers. With

the help of the company Dorna Lactate, which operated in Șara Dornelor and had several raw milk collection networks there, he ran a financing program through which he supported the provision of equipment for viable farms with a stable with modern functions. He also received 20 pregnant heifers from Austria for herd renewal.

With the two opportunities, the farm became a supplier of milk, in order to offset the purchase of equipment and the purchased animals.

### **c. Dream 3: *the desire for financing***

It crystallized at the age of 38, when he caught the “last train” for the application of a project: “Installation of young farmers” (the program applied to young people with a maximum age of 40). On the basis of a well-prepared business plan, he received 40,000 euros with which he purchased a new tractor, equipped with a plow and a front loader for garbage.

The condition of the financing was to increase the livestock of his own farm during 3 years from 26 to 39 heads: young and dairy cows.

He built a new stable with his own means. The cows received veterinary assistance.

Livestock renewal was done on the fly: the heifers became dairy cows, and the bulls kept for fattening for 2 years went to slaughter.

He adopted mixed breeding, both natural and artificial.

This is how a mountain dairy of 50–60 dairy cows (of the entrepreneur and others from the surrounding villages) appeared at the foot of the Călimani mountains. Here there was a surplus of milk that will be turned into caș and urdă by the skill of a local shepherd. The cheese was given to the cow owners in the dairy.

Later the farm closed due to bear attacks and lack of manpower.

### **d. Dream 4: *an agri-tourism guesthouse***

This idea crystallized more slowly. The farm and the guesthouse operated in parallel and complementary. The dairy products produced at the farm were served at the table at the guesthouse.

The farm operated with two stables, one of which was a youth stable, and they also had a cheese mongering room. Within the farm, there were also poultry and pigs raised at the sheepfold. The circular economy mechanism was activated: all by-products were used. Eggs, milk, cheese, meat came to the guesthouse from there.

The guesthouse operated with 4 double rooms with bathrooms. The accommodations also included: living room, service bathroom, kitchen, barbeque, playground. There was also a trout pond nearby.

Tourists found the location excellent and swarmed the place. The degree of occupancy was frequently 70–80% on weekends, but also on other days of the week.

The supply was mixed: both from the farm and through the contribution of tourists (they cooked).

### **e. Dream 5: *avoiding the nightmare of labor migration***

Problems with labor migration have also destabilized domestic businesses. Left without a workforce, the administrator accessed a new project of 160,000 euros. With this money, he purchased a large tractor with mower, rake to collect/scatter, a cylindrical baler with

wrapping capability, a slurry dumper and a tipper trailer for spreading waste. In this way he saved the main works on the farm. Machines replaced labor, especially for the production of fodder.

#### **f. Dream 6: Making fine cheeses. The big dream**

A visit to Dresden and Hanover where he took some classes and visited farms and fair stands. This generated new ideas, new plans.

He reconfigured the space for new products: he equipped it for processing.

In 2008, “Grupul Lactalis” takes over “Dorna Lactate”, then closes the departments one by one. The milk collection part remains. This is how an opportunity arose to capitalize on the farm’s milk. How? In 2010, “CamyLact”, specialized in the manufacture of local Swiss cheese, burned down. There were several Swiss cheese shops, which closed one after the other.

At the beginning of the stage, our entrepreneur started to make assortments of common cheeses: hard cheese, cottage cheese, cheese with hard paste (ripened), **Swiss cheese**, ripened mountain cheese.

It is the time of the business offensive: he made an infusion with skilled labor, opened a new store in Vatra Dornei, created a new production space.

He developed a cheese recipe that he certified as a mountain product. They named it “Ripened mountain cheese”.

The business started to grow at Neagra Șarului. A new space is set up and equipped: collection point, cooling tank, definition of processing flows, ensuring traceability. In 2012: everything moves to Neagra Șarului.

Currently, development ambitions are tempering. The attention shifts to the milk factory – boarding house – farm tripod (collection network). Work is underway to stabilize the market: a store has been set up in the square of Vatra Dornei Municipality. It delivers products to the local market, to Romsilva, to a chain of stores in Bucharest and Iași. All products are certified as “mountain product”.

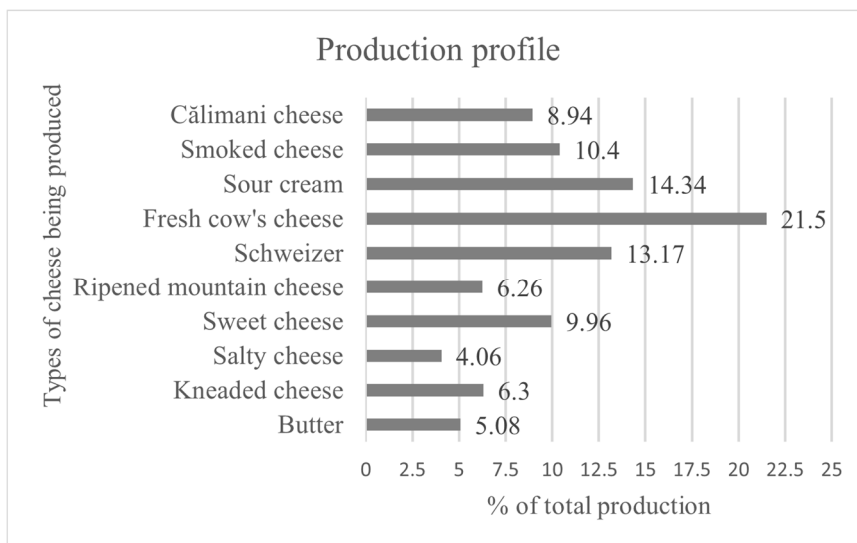
On the human resources line, it has an employee with the role of “gray eminence”, who provides the necessary skill for manufacturing. Daughter Adriana is the exponent of the next generation. She is a graduate of the Faculty of Food Industry (Bachelor). She is already setting in motion the component of innovation and diversification of production. They are working on a range of new products: homemade yoghurts – in jars and for drinking – in bottles. They are also working in partnership with a patisserie, promoting the range of local milk products.

Registered with OSIM the series of commercial dairy products “Călimani”. Participates in brunches in different localities in Șara Dornelor. Participates in fairs, exhibitions, thematic or rural festivals.

The fame of the products is already established. Other courses of action are kept secret. But, it remains a source of surprises.

He has a production capacity of approximately 2,000–2,400 l/day, of which he processes 62%, and sells 38% to the population.

The assortment structure of produced cheeses is given in Figure 1. It is reported per week.



**Figure 1. Structure of cheese production (Source: authors)**

## CONCLUSIONS AND RECOMMENDATIONS

The study set out to create a success story about a mountain producer from Țara Dornelor. A less technical and more emotional style was attempted to allow the audience to focus their sensory organs in a mind show generating purchasing decisions.

Because the products made have a cultural component, we considered it useful to highlight the elements that can be associated: the inheritance and transfer of the business, the dreams, the equity capital, the vision.

The entrepreneurial component was supported by: step-by-step approach, incremental development, production diversification.

The pragmatic component is represented by continuous learning, acquired skills and innovation.

But the most important elements in the formula of success are the ones you are born with: talent, skill, “golden hands”, intellectual capacity, practical spirit.

The halo of the success story with which we traveled with our entrepreneur is the mountain product certified as an optional designation of origin. Products are made through it, and products are sold through it. This is the ecosystem that sells the cheese.

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