

THE “PROFITABLE AGRI-BUSINESS” CONFERENCE / DORIN COJOCARU,
APRIL:

“The subsidy for milk will bring into the economic circuit large quantities of milk that are undeclared”

Romania produces at least 4 million liters of milk each year, but very large quantities of milk do not enter the economic circuit, according to the president of the Romanian Professional Association of the Milk Industry (APRIL), Dorin Cojocaru. “I think that the subsidy introduced by the Ministry of Agriculture of 25 Euros/ ton of milk will bring much of the undeclared milk to the surface”, he said. According to the estimates of APRIL, in Romania there are approximately 680,000 small farmers, stock breeders, but out of those, only 75,000 introduce their collected milk into the economic circuit. Of the 75,000, only 15,000 farmers don’t produce milk according to the European regulations. Because of that, Dorin Cojocaru said: “We do not need another year of derogations from the European Commission. The 15,000 cases are more of a social problem which will not be solved by a year of derogations from the EC”. For the processing of non-compliant milk, Romania had three derogations, and the last of them expires on January 1st, 2014. Romanian producers do not want a new derogation for the processing of non-compliant milk, because most of them have already invested in the modernization and sanitation of the farms.

*** ”Investors in the milk industry need realistic prices”**

Investors interested in the Romanian dairy industry must know the realities of the profile market, to make a realistic market plan, according to the president of the Romanian Professional Association of the Milk Industry (APRIL), Dorin Cojocaru. He said that the prices in the acquisition of milk from the producers are not realistic, (ed. note: 80 bani/liter) are not realistic, and they are actually higher in reality. According to the president of APRIL, the prices paid for raw milk by processors, which the producers describe as too low, are not real. Dorin Cojocaru told us, however, that this amount represents just a base price, to which producers also receive bonuses for the quantity of fat and for proteins, and on this price, the 24 VAT is charged.

In the opinion of the president of APRIL, the competitiveness of the milk sector depends heavily on the cooperation between farmers, processors as well as on the attitude of those that can provide financing: “The banks need to have a clear vision on the market”, said Dorin Cojocaru, who also pointed out the fact that this year has been very profitable for the livestock sector, due to the large vegetable harvests which have led to a relatively low and stable price. (A.O.)