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Faculty of Agriculture  
and Life Sciences

## *"Planika" diary - good practice example of mountain branding*

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## "Planika" diary – background data

- Case study EuroMarc project
- Case study Healthyrowth project
- Ph.D
- Specific taste (milk)
- Good organoleptic characteristics (cheeses)
- Freshness
- Milk as raw material comes entirely from mountain farms (high animal welfare standards, quality fodder)
- Mid scale food chain (good balance between volume and values)
- Close link to the local community (rural development)
- Already experineces with PDO (2012) and ECO (2013)



## “Planika” diary - location



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## “Planika” diary – main characteristics

- The owner (100%) of Planika diary is the Farms association (cooperative) **Tolmin**
- First established in 1957
- The milk comes from 150 alpine farms in surrounding
- They own also a milk farm with 130 cows
- In average the Planika diary buy 9,75 mill. liters of milk per year
- Currently they sell 19 different milk products under the “Planika” brand
- The employees of Planika diary are local people



## Why is the Planika dairy interesting for mountain branding?

- ✓ The products fit to all conditions of use of the optional quality term 'mountain product'
- ✓ Mid scale food chain empower more consumers
- ✓ Good management
- ✓ Value based food chain (trust, positive interactions)
- ✓ Rural development



## Regulation (EU) No 1151/2012 of the European Parliament and of the Council with regard to conditions of use of the optional quality term 'mountain product'

### Article 1

#### Products of animal origin

1. The term 'mountain product' may be applied to products produced by animals in mountain areas as defined in Article 31(2) of Regulation (EU) No 1151/2012 and processed in such areas.
2. The term 'mountain product' may be applied to products made from animals that are reared for at least the last two thirds of their life in those mountain areas, if the products are processed in such areas.
3. By way of derogation from paragraph 2, the term 'mountain product' may be applied to products made from transhumant animals that have been reared for at least one quarter of their life in transhumance grazing on pastures in mountain areas.

### Article 2

#### Feedstuffs

1. For the purposes of Article 31(1)(a) of Regulation (EU) No 1151/2012, feedstuffs for farm animals shall be deemed to come essentially from mountain areas if the proportion of the annual animal diet that cannot be produced in mountain areas, expressed as a percentage of dry matter, does not exceed 50 % and, in the case of ruminants, 40 %.
2. By way of derogation from paragraph 1, as regards pigs, the proportion of feedstuffs that cannot be produced in mountain areas, expressed as a percentage of dry matter, shall not exceed 75 % of the annual animal diet.
3. Paragraph 1 shall not apply to feedstuffs for transhumant animals referred to in Article 1(3) when reared outside mountain areas.

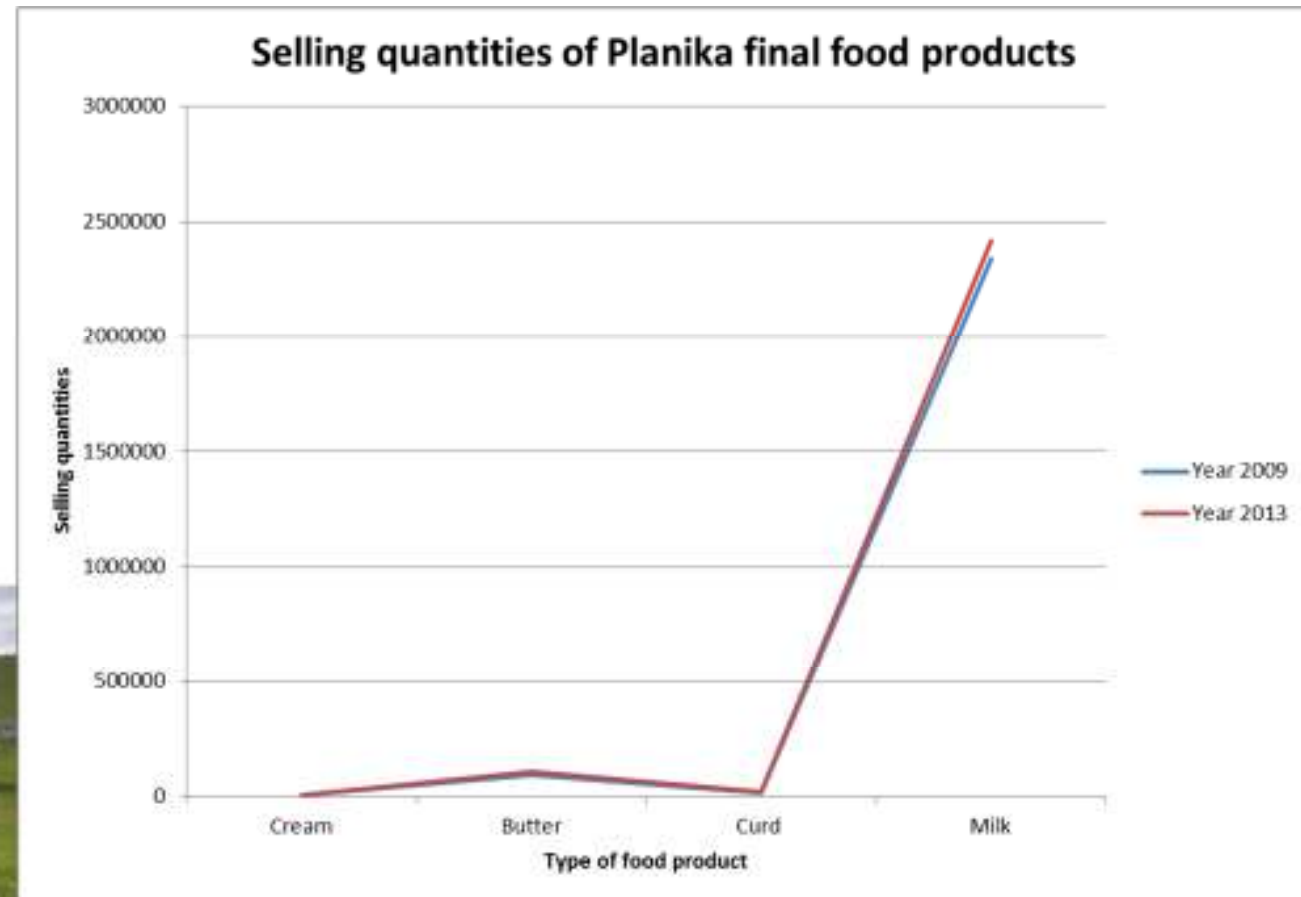
### Article 6

#### Processing operations outside mountain areas

1. By way of derogation from Article 31(1)(b) of Regulation (EU) No 1151/2012 and Article 1(1) and (2) of this Regulation, the following processing operations may take place outside mountain areas, provided that the distance from the mountain area in question does not exceed 30 km:
  - (a) processing operations for the production of milk and milk products in processing facilities in place on 3 January 2013;
  - (b) slaughtering of animals and cutting and deboning of carcasses;
  - (c) pressing of olive oil.
2. As regards products processed on their territory, Member States may determine that the derogation in paragraph 1, point (a) will not apply or that the processing facilities must be located within a distance, to be specified, of less than 30 km from the mountain area in question.

Comparisons between the year 2009 and 2013:

- Increasing the selling quantities for approx. 10%,
- new food products have been developed,
- selling of organic certificated milk growth for 15% in last year



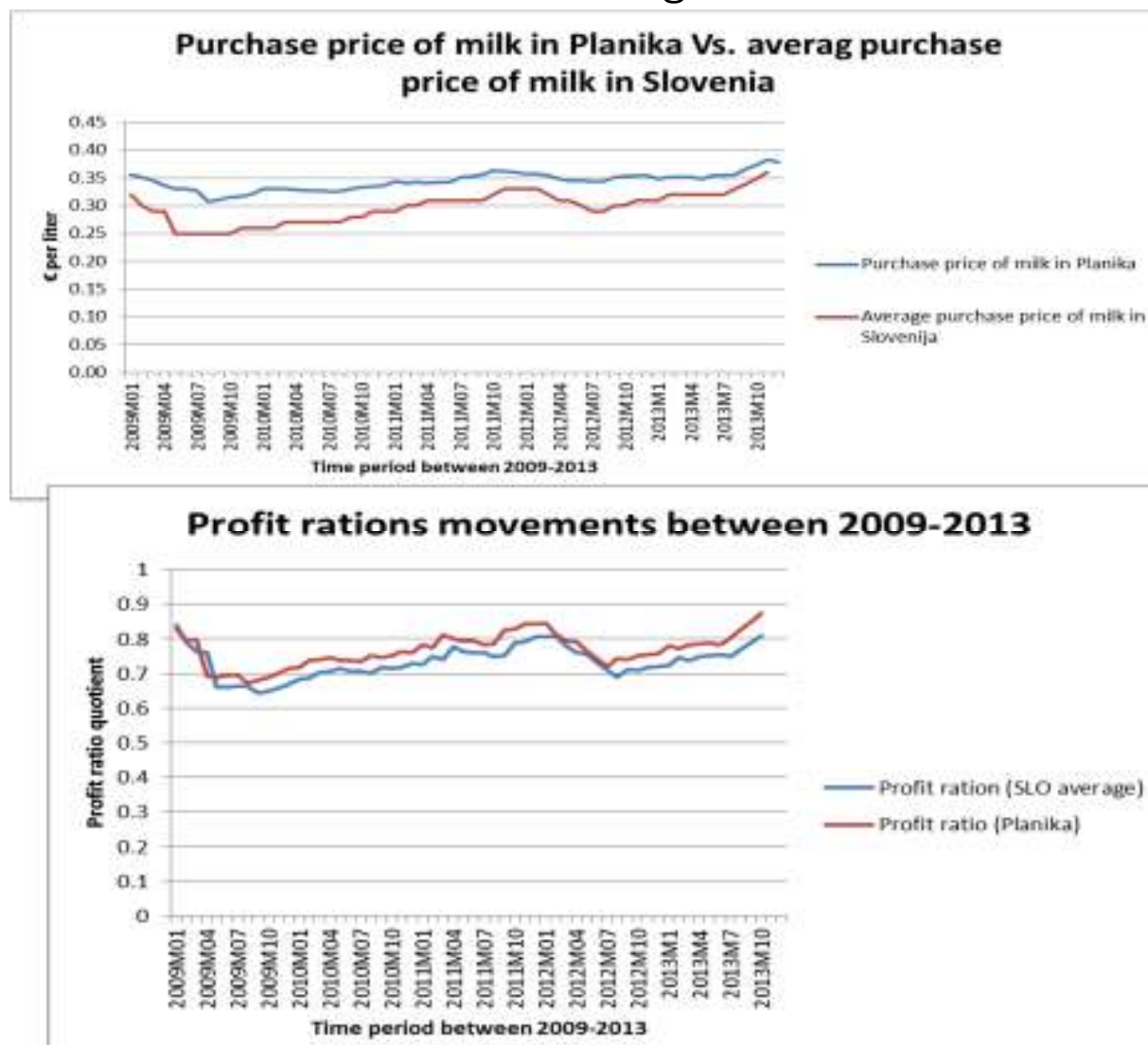
## Good management

### Good management approaches:

- highest purchase price of milk in Planika dairy,
- the purchase price of milk in Planika follows to highest costs price of milk in mountain areas.



**HIGHEST PROFIT RATIOS OF PLANIKA PRODUCERS COMPARED TO OTHER PRODUCERS IN SLO**





Value based food chain (quality, trust, positive interactions):

- How the added value could be recognized?

Stevenson and Pirog (2008), Stevenson et al. (2011) and Stevenson (2013) explaining that added value in food chain could be recognized on different ways:

- handle certified high-quality food products
- have at least one separate actor as an intermediary between producers and consumers
- involve a minimum of one stage of product transformation (packaging, processing etc.) and therefore two steps of transmission (farmer - intermediary actor/initiative - consumer)
- involve normally farmers/producers from region where the main processor come from
- build on long term strategic alliances between business enterprises, which place emphasis on both the values associated with the food and values associated with relationships and the fair distribution of profits along the chain
- consist of actors and initiatives such as food businesses, retailers, associations, networks or other initiatives.

\*Sources:

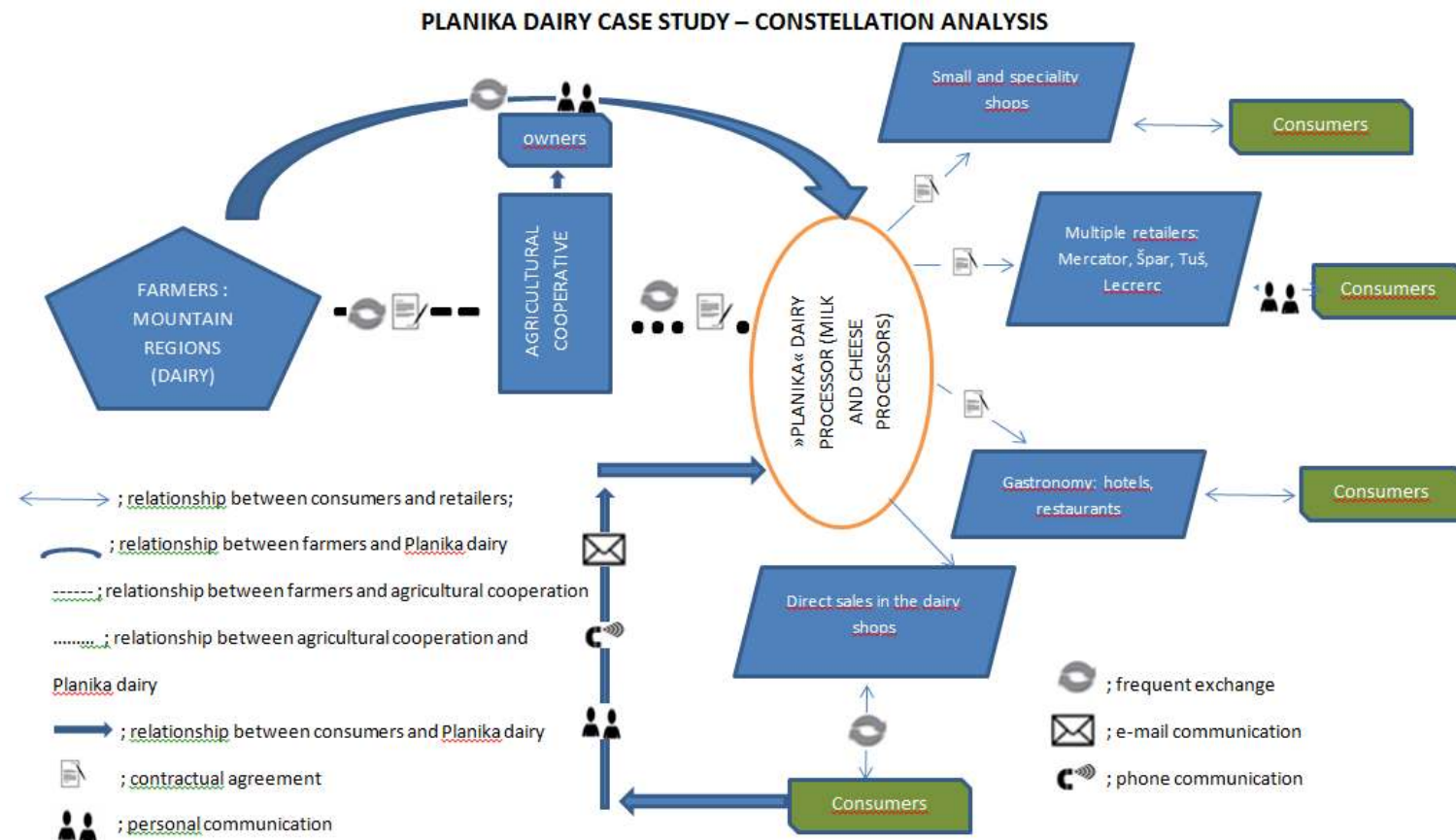
Stevenson GW, Pirog R. 2008. Values-Based Supply Chains: Strategies for Agrifood Enterprises- of-the-Middle. In *Renewing an Agriculture-of-the Middle: Situation and Strategy for the Center of the U.S. Food System* (Penn State Press), T. Lyson, G. Stevenson, and R. Welsch, eds.

Stevenson GW. 2013. Value-based food supply chains. *Shepherd's Grain*. /Elektronski vir/<http://cias2.andywhitewebworks.com/wp-content/uploads/2013/06/shepherdsgrainfinal0716131.pdf> (5. May 2014).

Stevenson GW, Clancy K, King R, Lev L, Ostrom M, Smith S. 2011. Midscale food value chains: An introduction. *J. Agric. Food Syst. Community Develop.*, <http://dx.doi.org/10.5304/jafscd.2011.014.007>, 27-34.

Value based food chain (quality, trust, positive interactions):

- high quality organic food products,
- communication between consumers and Planika dairy about quality questions,
- all actors have the **often communication** (minimum twice per week) at least with one actor in the chain (frequently with the actor before or after them),
- the most common type of agreements in chain are **contractual agreements**,
- Planika is the „**key**“ actor in the food chain.



## Rural development

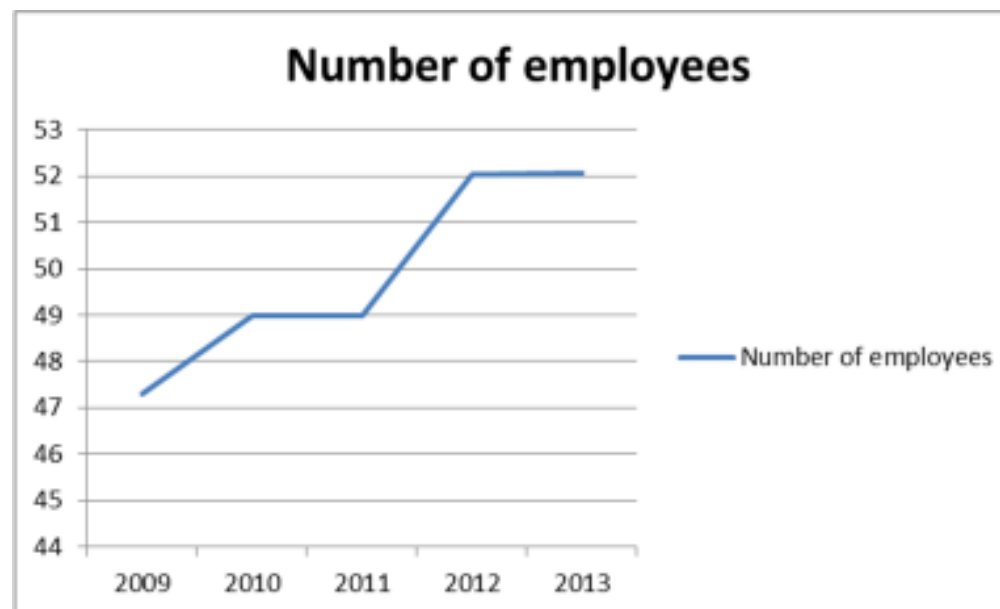
Rural development:

- Some economic indicators have been represented under „good management“ aspect of Planika
- Additionally social indicator could be recognized →

increasing the number of employees ↑



↓ decreasing the unemployment rate





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THANK YOU FOR YOUR ATTENTION

