

PORTUGAL

Restructuring and
developing physical
potential and promoting
innovation

Location

Faial island, Azores

Programming period

2007 - 2013

Axis

Axis 1 – Competitiveness

Funding (EUR)

Total budget 380 000

EAFRD 219 805

National/regional 38 789

Private 121 406

Project duration

2009 – 2013

Project promoter

O Morro, queijaria

Contact

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Website

<http://queijariaomorro.com/>

RDP support helped set up a new dairy factory which combined the most modern production techniques and equipment with traditional knowledge, in order to produce a high-quality niche cheese for local and international markets.

Summary

The beneficiary identified a market opportunity from the limited supply of high-quality traditional fresh cheeses in the islands of the Azores.

RDP support was used for the construction of the premises and the acquisition of modern equipment for the production of fresh and semi-dried cheeses. The company developed an

integrated supply chain from quality suppliers to dedicated selling points.

Two follow-up RDP projects financed the company's purchase of additional equipment to increase the volume of production and a vehicle for the distribution of the products to the selling points.



Results

The company became fully operational in 2012, initially producing cheeses to sell in nearby markets.

Nowadays, the company's cheeses are sold throughout the Autonomous Region of the Azores, exported to mainland Portugal and even to the US.

In March 2017, Morro cheese was recognised in New York by a specialty magazine, which classified it in the 'elite' category of cheeses.

The investment created a total of three jobs (two managers and one employee).

Lessons & Recommendations

- ❑ The use of high-quality, locally produced raw materials (milk), helped the company produce a unique local niche product and win the appreciation of local, national and international consumers.
- ❑ Marketing through dedicated selling points helped to gain visibility and build consumer trust towards the quality of the company's products.
- ❑ Incremental investments can be an effective way to use RDP support to build a successful growing business.

Context

Dairy products and especially different types of locally produced traditional fresh cheese seemed to have great market potential in the Azorean areas of Faial, Pico Flores and Corvo.

The production of this type of fresh cheese did not even produce the volumes to meet demand within the local market, let alone export. Only two small producers existed, who used outdated traditional techniques.

Objectives

The beneficiaries sought to combine modern production methods with traditional knowledge in order to create a high quality craft product that would cover the needs of the local market.

Through this initiative, the market would be provided a steady supply of high quality fresh cheese that resembled a traditional cheese produced over half a century ago.

Activities

The company received support from the Azorean RDP in 2009 to set up a modern dairy factory that would locally produce traditional fresh and semi-hard cheeses, using the most modern equipment and production methods.

The first activity was the construction and installation of the dairy factory. The support also helped with the acquisition of the modern production equipment for the different types of cheeses.

The company also created a fully integrated supply chain starting with the purchase of the raw material from dedicated suppliers and ending with distribution and sales to specific selling points aiming to establish itself as a recognised and trusted brand.

In order to ensure the optimum quality of its products, the company decided to work only with farms that could guarantee a steady supply of milk produced at the highest standards.

In 2013, the company used additional RDP support to purchase more machines and equipment in order to increase its production volumes. In 2016 another application for support was submitted to purchase more equipment and a car for the delivery of the products.

Results

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Initially, the company produced cheeses to sell in nearby markets. Nowadays, the company's products are sold throughout the Autonomous Region of the Azores, exported to mainland Portugal are even exported international to the US.

At the end of March 2017, Morro cheese was recognised in New York by a specialty magazine, which classified it in the 'elite' category of cheeses.

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Main lessons

The use of high-quality, locally produced raw materials (milk), helped the company produce a unique local niche product that won the appreciation of local, national and international consumers.

Marketing through dedicated selling points was important to gain visibility and build consumers' trust towards the quality of the company's products.

Incremental investments can be an effective way to use RDP support to build a successful growing business.



Additional sources of information

n/a