

ROMANIA

Restructuring and
developing physical
potential and
promoting innovation

Location

Ploiesti

Programming period

2007 - 2013

Axis / Priority

Axis 1 – competitiveness of
the agricultural and forestry
sector

Measure

M123 - Adding value to
agricultural and forestry
products

Funding (EUR)

Total budget: 1.4 m
RDP: 0.5 m
Private: 0.9 m

Project duration

2009 – 2010

Project promoter

SC LIDO GIRBEA SRL

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A company producing bread and pastry products used EAFRD support to expand its processing and storage capacity as well as its distribution network.

Summary

The average annual consumption of bread and bakery products in Romania is about four times the EU average. Market studies have estimated that during the next decade bread consumption will remain fairly constant. However, consumption of bakery specialties and pastries is expected to increase. Due to the short production cycle of these goods and the relatively stable demand, competition on the bakery products market has been constantly increasing.



LIDO Girbea SRL is one of the largest baked goods companies in Prahova county. The company's strategy for remaining ahead of competitors is to continuously invest in improving the quality of its products and expanding its market coverage. Support from the Romanian Rural Development Programme helped the company invest in increasing its storage capacity, purchasing machinery to enhance production and buying 35 vehicles to expand its distribution coverage.

Results

The project increased the company's sales and led to new commercial contracts for the distribution and delivery of bakery-pastry products with national networks and multinational partners (i.e. BILLA, CARREFOUR, Kaufland or Profi).

Additionally, it created 20 full time jobs, increasing the total number of employees to 240 in 2010.

The annual production capacity of the company increased to 6 600 tons. The bakery products were diversified to include traditional Romanian recipes as well as new ones.

The process of manufacturing bread and bakery products became almost 100% automated. The main task workers still have is to supervise installations and procedures.

Lessons & Recommendations

- ❑ The smooth implementation of the project required establishing good communication with the representatives of the Managing Authority. This working relation was helpful for ensuring compliance with the provisions of the contract, as well as with the working procedures and requirements for implementing the provisions of the RDP.
- ❑ The experience gained during the previous programming period and under the SAPARD Programme made it easier to design and implementing the project.

Context

SC LIDO Girbea SRL is a producer of bakery and pastry goods founded in 1992 in Ploiesti, Prahova county. With a production of over 200 000 loaves per day, it is one of the largest baked goods companies in Prahova.

Its business strategy is to offer better quality products than its competitors. In particular, it continuously improves product quality, storage, and delivery, as well as offers its customers discounts and special prices. Simultaneously, it seeks to expand its market coverage by opening new sales to meet the increasing consumer demand.

Objectives

The main objective of the project was to improve the overall performance of the company through improvement of its storage and delivery capacities.



Activities

Within the five months of the project's implementation, the management and technical staff of the company carried out the following activities:

1. In-house development of the tender and selection of a provider for 35 vehicles and 6 flour silos;
2. Purchase of equipment, installation of the silos and planning of the delivery routes for the vehicles;
3. Employment of 20 people (drivers, handlers and qualified bakers/workers), based on an agreement with AJOFM Prahova, the county's labour agency;
4. Organisation of a final training 'on the workplace'.

The acquired machinery includes a flour processing unit with a capacity of 118 tons per 24 hours; a unit processing wheat groats with a capacity of 0.06 tons per 24 hours; and upgrading of a bread and bakery products unit with a capacity of 22.8 tons per 24 hours.

Additional sources of information

www.stiriagricole.ro/ghid-de-bune-practici-pentru-accesarea-fondurilor-europene-nerambursabile-pentru-agricultura-cum-sa-iei-jumatate-de-milion-de-euro-pentru-o-brutarie-automatizata-20178.html

www.youtube.com/watch?v=MFGAngpQAnE

www.youtube.com/watch?v=qBuhpaWvHBs

www.youtube.com/watch?v=7MErGK6tOE