

From niche to volume with integrity and trust CASE STUDY FACT SHEET

Planika - Slovenia

A. Borec, J. Prišenk
University of Maribor
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Historical development

Planika dairy has long history that dates back to 1957. The present structure of the company as a limited liability company (LLC) dates back to 1995, and was established by the Tolmin agricultural cooperative. The company's raw material (milk) comes exclusively from 120-130 (from year to year) local mountain farms in the North and North-Western regions of Slovenia, especially the Tolmin, Kobarid, and Idrija regions.



Inside the Planika dairy

The company currently sells 19 different milk products under the

"In buying Planika products, consumers improve the local economy and economic status of farmers from mountain regions."

Planika brand. These high-quality products are characterized by

their freshness, taste, and the avoidance of genetic technologies and chemicals/synthetic pesticides. In April of 2013, the dairy began selling organic milk, and it has adhered to an organic quality control system ever since. The "Planika" brand speaks of a traditional way of processing dairy that promotes alpine pastures, of which the company's dairy museum attests to. The enterprise is a cooperative limited company, with a managing

director who is authorized to represent the enterprise and to sign documents. Today, the company has 52 employees and 3 facilities. One of the important values of all stakeholders is to ensure the high quality of dairy products made with high-quality, raw milk, which in turn adds to the trust of consumers in their relationship with the brand and chain.

No internal conflicts have been recognized between the stakeholders in the chain. The main values of this value-based food chain are high-quality food products, trust, and fairness (with trust achieved through business relationships, payment discipline, and fair prices [i.e., a higher price for milk compared to other milk processors – see graph 3]). The price of Planika milk is higher by approximately 4-5 cents per liter compared to average milk prices in Slovenia.

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Legal form:

Cooperative limited company

Date of foundation:

1995

Homepage:

<http://www.mlekarna-planika.si/>

Turnover:

8747356€ in 2012

Product range:

Developed from 6,030,386.2 liters in 2009 to 6,142,253.6 liters in 2013 of dairy products

Number of

Employees:

52 employees

Distribution channels:

Primarily via four supermarket chains, hotels and restaurants, and local shops/own shop

Facebook friends: 568

(30th March 2015)

Supply chain organization

The most powerful actor in the agro-food chain is Planika, which works hand-in-hand with the agricultural cooperative Tolmin, which serves as a coordinator between farmers and the Planika dairy (processor). The Planika dairy itself serves as the coordinator of selling points (retailers) and holds decision-making power with regard to business actions within the chain, particularly in terms of responsibilities to the other actors in this value-based food chain. Planika buys its raw materials directly from farmers, with negotiations concerning the prices of milk done by the Tolmin agricultural cooperative. Figure 1 represents two indicators of growth: turnover and total number of employees. There were two changes in the chain (in 2010 and 2013). The first was an organizational change in 2010 from the collection of milk via collection points to the transporting of milk directly by the farmers themselves. The second change in the chain came in 2013, when the Planika dairy began selling organic yoghurt, which caused them to become an important delivery partner with local public institutions (e.g., schools).

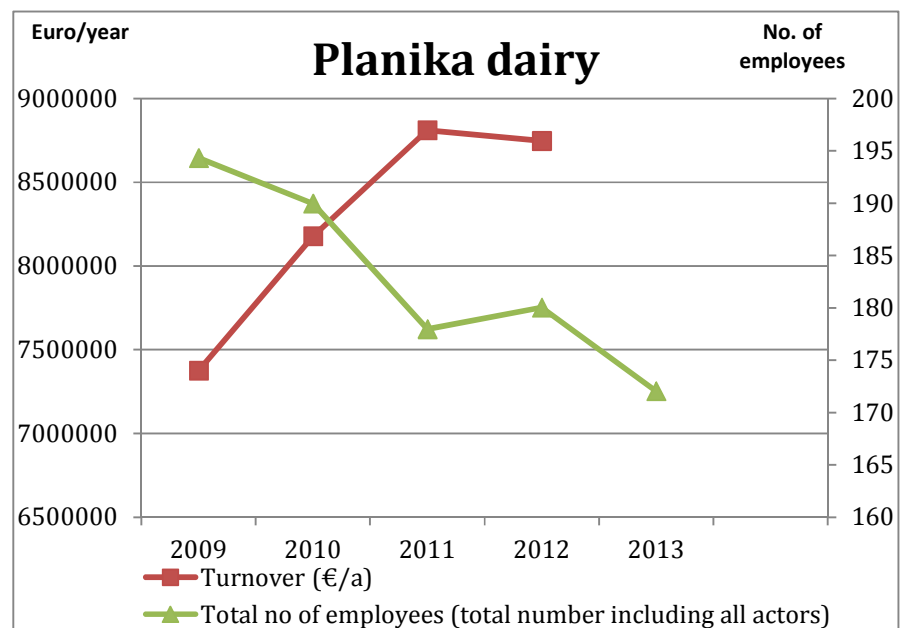


Figure 1: Table turnover and number of employees (2009-2013)

For further information, contact Assoc. Prof. Andreja Borec, Ph.D. (andreja.borec@um.si) University of Maribor/Faculty of Agriculture and Life Sciences (T: +386 2 320 90 00)

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