

Livestock and dairy production
micro-cluster

Cimișlia Basarabeasca



Content

1	Background	2
2	Localization and specialization	4
3	Existing business activities	6
4	Key economic indicators	7
5	Major challenges	8
6	Major opportunities	10
7	Micro-cluster members	12
8	Development strategy	14
9	Investment opportunities	16

Background



















The emerging livestock and dairy production micro-cluster in the Cimișlia-Basarabeasca micro-region, traditionally specialized in sheep and goat farming, is developed with the support of the Swiss-UNDP “Resilient and inclusive markets in Moldova” (PRIM) project.

The Cimișlia-Basarabeasca micro-cluster was formally established on **10 October 2023**, when local stakeholders signed a Memorandum to establish the cluster, elected the governing bodies, and approved a three-year development roadmap.

The micro-cluster comprises 22 public and private entities directly or indirectly involved in the zootechnical (sheep and goat) sector:

- ✓ 13 sheep and goat farms
- ✓ 1 cheese factory
- ✓ 1 artisanal cheese production workshop
- ✓ 1 company specialized in meat processing
- ✓ 1 local public authority from the region
- ✓ 5 educational and R&D entities, including 3 non-government organizations

The micro-cluster is led by **two co-Presidents**, an **Administrative Board**, and a **delegated Management Entity**:

 Co-Presidents:	Pavel Prisăcaru Entrepreneur	 (+373) 69 168 964  prisacaru.pavel@yahoo.com
	Dorina Baci Entrepreneur	 (+373) 69 535 892  baci.dorina@yahoo.it
 Administrative Board:	Constantin Roșca Entrepreneur	 (+373) 61 031 222  violinaciubotaru@mail.ru
	Sergiu Caproșu Entrepreneur	 (+373) 69 761 639  caprosuviorica2@gmail.com
	Igor Obadă Entrepreneur	 (+373) 67 573 044  srlfratiifermieri@mail.ru
	Tamara Vacarciuc Entrepreneur	 (+373) 69 526 179  vacarciuc.andrei@yahoo.com
	Vladimir Balaban Civic organizer	 (+373) 69 190 481  Vladbalaban98@gmail.com
	Vasile Sidor Administrator NGO "Dezvoltare prin Implicare"	 (+373) 78 141 429  sidor.vasile@gmail.com

A tailored methodology for micro-cluster development was prepared by the Swiss-UNDP “Resilient and inclusive markets in Moldova” project. It aims at expanding the micro-cluster and increasing its competitiveness, which will result in higher turnover, new and higher quality jobs.

Localization and specialization

The “Cimișlia-Basarabeasca” micro-cluster specializes in the production and processing of sheep and goat milk, while also ensuring the production of derived products such as meat, hides and wool.

Legend

Milk processing unit / small factory

- ① Original Sheep cheese factory
- ② Sălașul Baciului cheese factory



Animal farm

- ① Casian Petru farm
- ② Sandulov Serghei farm
- ③ CimAgroElit farm
- ④ RCOviscim farm
- ⑤ Teleagă Ion farm
- ⑥ Caproșu Serghei farm
- ⑦ Strogoteanu farm
- ⑧ Racicovschi Lilian farm
- ⑨ AtiLactoPrim farm
- ⑩ Cosolovschi Vasile farm
- ⑪ Garaba Sergiu farm
- ⑫ Igor Obadă farm
- ⑬ Bîlba Vasile farm



Fodder producer

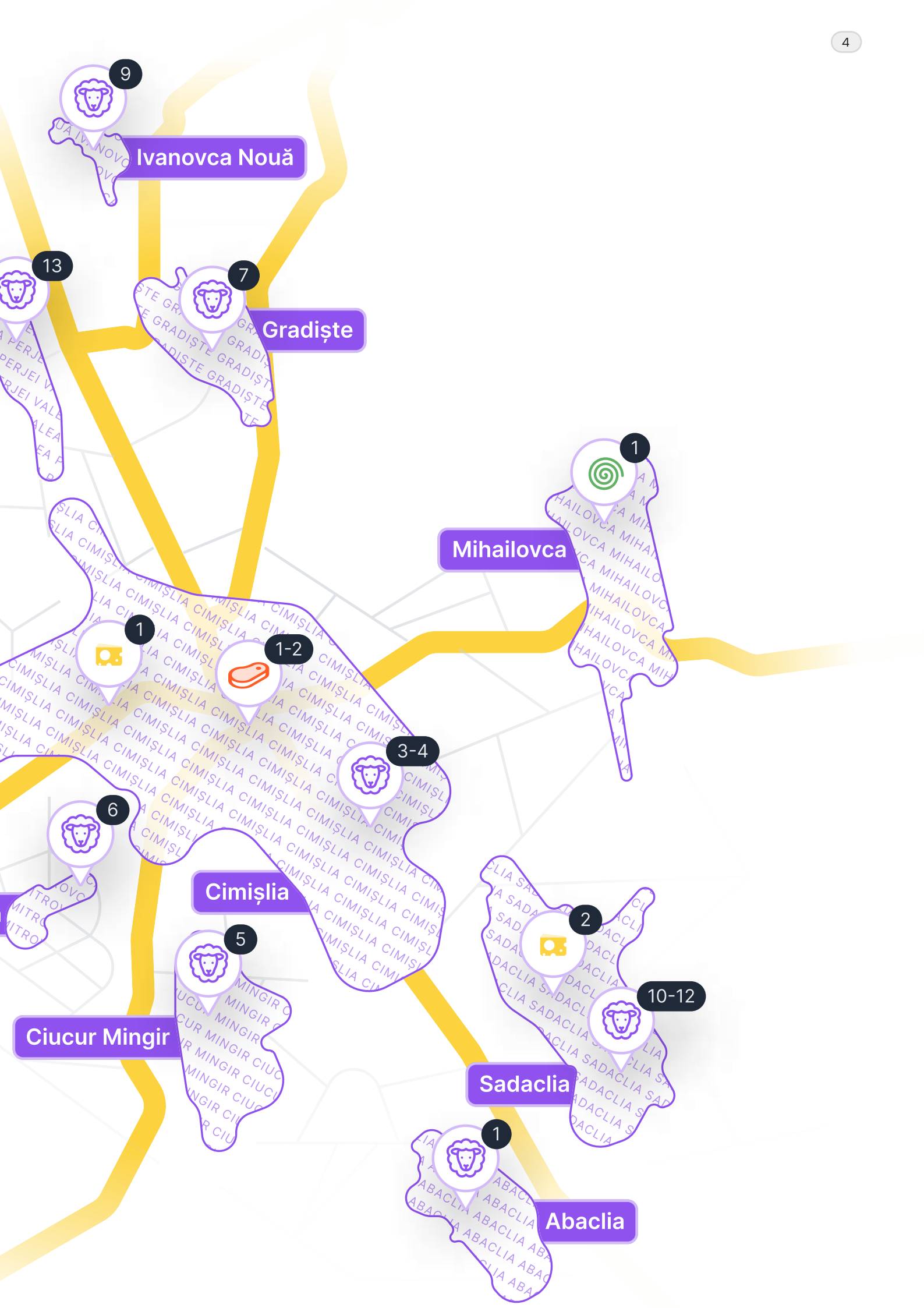
- ① Vacarciuc Andrei fodder production



Meat processing

- ① Aramă Dumitru slaughterhouse
- ② Cvadrivita meat processing factory





Ivanovca Nouă

Gradiște

Mihailovca

Cimișlia

Ciucur Mingir

Sadaclia

Abaclia

9

13

7

1

1

1-2

3-4

6






















5

2

10-12

1

The micro-cluster is located in an area traditionally specialized in raising sheep and goats, and consists of 10 municipalities in Cimișlia and Basarabeasca districts: the city of Cimișlia (including Dimitrovca village, which administratively is part of the city) and the villages of Valea Perjei, Hârtop, Ciucur-Mingir, Cenac, Ivanovca Nouă, Mihailovca, Gradiște, Sadaclia and Abaclia:

MUNICIPALITY	DISTRICT	POPULATION	WOMEN / MEN
 Cimișlia (including Cimișlia town and Dimitrovca village)	Cimișlia	 8,567	4,682 / 3,885
 Valea Perjei	Cimișlia	 478	254 / 224
 Hârtop	Cimișlia	 1,420	719 / 701
 Ciucur-Mingir	Cimișlia	 885	476 / 409
 Cenac	Cimișlia	 1,023	539 / 484
 Ivanovca Nouă	Cimișlia	 421	222 / 199
 Mihailovca	Cimișlia	 2,050	1,126 / 924
 Gradiște	Cimișlia	 1,184	602 / 582
 Sadaclia	Basarabeasca	 2,389	1,315 / 1,074
 Abaclia	Basarabeasca	 3,018	1,590 / 1428
	Total:	 21,435	11,525 / 9,910







Existing business activities

Seventeen businesses operate within the micro-cluster, most of them being sheep and goat farms, while others are firms are engaged in milk and meat processing.

In total, the current livestock population in the micro-cluster exceeds 3,000 animals (sheep and goats), with 2,123 of them being milking animals. Most of the farms (11 of 13) are located outside of the built-up area.

To produce fodder, farmers are currently using approximately 123 hectares of land (44 hectares are owned and 79 hectares are leased).

The two milk processing entities have a combined capacity of 1,260 tons per year.

CATEGORY	CAPACITY
 13 sheep/goat farms	Sheep: a population of 1,834 sheep (including 1,243 milking sheep). <ul style="list-style-type: none"> ✔ Caracul – 35% ✔ Metis – 22% ✔ Asaf – 21% ✔ Țigaie – 17% ✔ Lacoun – 4% Goats: a population of 1,176 goats (including 880 milking goats)
 One dairy and cheese factory	✔ Capacity of 1,200 tons/year
 One artisanal cheese producer	✔ Capacity of 60 tons/year
 One meat processing facility	

Although the micro-region, together with the localities in the vicinity, represents less than 1% of the territory of the Republic of Moldova, it:

- ✔ hosts the largest sheep and goat milk processing plant in the country;
- ✔ is the seat of the most representative national sectorial association in the field of goats and sheep;
- ✔ holds 7% of the number of sheep and 17% of goats in the country’s farms;
- ✔ contributes more than 5% to the national production of sheep and goat cheese;
- ✔ hosts the largest national event of the sheep and goat sector (the "Mioriță laie" national festival)

These statistics highlight the significant importance of this micro-region in terms of the production, processing, and the development of the sheep and goat sector in the Republic of Moldova, with a substantial impact on local economies.

Key economic indicators

INDICATORS	VALUE	NOTA BENE
The total turnover of the micro-cluster	<ul style="list-style-type: none"> ✓ Total: 22.8 million MDL ✓ Animal farms – 11.4 million MDL ✓ Processing enterprises – 11.4 million MDL 	90% of milk and meat processors rely on raw material brought from outside of the micro-cluster.
Livestock (2023)	<ul style="list-style-type: none"> ✓ 1,834 sheep (including 1,243 milking sheep) ✓ 1,176 goats (880 milking goats) 	Existing sheep breeds: <ul style="list-style-type: none"> ✓ Caracul – 35% ✓ Metis – 22% ✓ Asaf – 21% ✓ Tığale – 17% ✓ Lacoun – 4%
Annual milk production (2023)	Annual production: 722 tons of milk, including: <ul style="list-style-type: none"> ✓ 286 tons of sheep milk ✓ 436 tons of goat milk 	<ul style="list-style-type: none"> ✓ Productivity of a sheep = 120-500 liters/year ✓ Productivity of a goat = 200-650 liters/year ✓ Selling price of milk: 13.5-16.0 MDL/liter
Annual cheese production (2023) * within animal farms	<ul style="list-style-type: none"> ✓ Annual production: 97 tons ✓ Sheep cheese = 48 tons ✓ Goat cheese = 49 tons 	<ul style="list-style-type: none"> ✓ Marketing price of cheese: 80-130 MDL/kg
Annual production of sheep and goat cheese and aged cheese * within processing entities	<ul style="list-style-type: none"> ✓ Sheep/goat cheese - 26 tons ✓ 1 month aged cheese – 10.5 tons ✓ 2-3 month aged cheese - 21 tons ✓ Mature 24-month aged cheese - 0.5 tons 	Selling price: <ul style="list-style-type: none"> ✓ Sheep/goat cheese = 130 MDL/kg ✓ Aged cheese = 350-750 MDL/kg
Meat production	<ul style="list-style-type: none"> ✓ Mutton/goat meat = 15 tons ✓ Lamb meat = 14 tons 	Selling price: <ul style="list-style-type: none"> ✓ Mutton/goat meat = 65 MDL/kg ✓ Lamb meat = 80-100 MDL/kg
Total number of jobs in the micro-cluster	<ul style="list-style-type: none"> ✓ ≈ 50 jobs (including seasonal workers and self-employed entrepreneurs) 	<ul style="list-style-type: none"> ✓ Average salary = 6,000 MDL/month (≈300 euros)

Major challenges

The livestock and dairy production micro-cluster from Cimișlia-Basarabeasca faces significant challenges that should be addressed in order to enhance its competitiveness and boost the turnover of both the micro-cluster, as a whole, and of individual businesses. The biggest challenges include:

Dependence on outdated technologies, limiting productivity growth: This results in low business efficiency, profitability and investment capacity.

Predominance of low-productivity breeds: The livestock sector remains dominated by low- and medium-productivity breeds, comprising around 80% of the total livestock, while only 20% consists of high-productivity breeds.

Underutilized milk processing capacities: Existing milk processing capacities are currently utilized at less than 50% due to various factors (such as lack of financial resources for raw material procurement and an inefficient sales model). This underutilization is seen both at the factory of cheese products and aged cheese (25-40%), also at the artisanal cheese production facility (20-25%).

Problematic relations between farmers and processing entities due to lack of mutual trust. Consequently, the cheese factory heavily relies on procuring more than 90% of its milk from farmers outside the mini-cluster.



Processing enterprises grapple with a severe working capital shortage due to a substantial time gap between payments for purchased milk (as farmers demand immediate payment upon delivery) and the receipt of sales revenue. This gap can extend up to 6-8 months due to production processes (with a maturation period up to 4 months for aged cheese) and the late payment terms of supermarket chains.



The outsourcing possibilities of the micro-cluster continue to be difficult, due to the limitations of the export on the EU and CIS markets.

Low farm productivity and profitability hinder salary increases for employees, making it difficult to attract qualified personnel, the sector experiencing high staff turnover.

Most farms lack essential basic equipment, negatively affecting the quality of the final product (pasteurization equipment, mechanized milking equipment, refrigeration, and cooling rooms).



Major opportunities

Despite the challenges encountered, there are numerous opportunities that, when leveraged, can stimulate the development and growth of micro-cluster businesses. In addition, there are many untapped opportunities waiting to be explored. The key opportunities to be leveraged encompass:

Legal registration of informal farms would enable them to access state subsidies.

Currently, approximately half of all entrepreneurs engaged in animal breeding activities haven't registered their businesses according to the current legislation. This hinders their access to subsidies per head of animal (500 MDL/year) and milk production (5 MDL/liter). Formalizing these businesses would significantly enhance economic and financial performance, fostering modernization and technological advancement.

Comparative analysis indicates that there's potential to increase 2-3 times the animal farm productivity by introducing more productive breeds. Moreover, the analysis demonstrates that the return on investment for replacing livestock with higher-yield breeds can be achieved in approximately two and a half years, a highly favorable indicator supporting this change.



Opportunities remain untapped to increase farm turnover through the implementation of more effective sales strategies. Currently, significant disparities exist in the pricing of cheese products among different farmers. About a third of all farmers could potentially raise their selling prices by 50-60% by placing more emphasis on the commercial aspect of their business.

Given the limited access to the European Union market and the difficulties in accessing the Russian Federation's market, Central Asia, particularly Kazakhstan (with a growing demand), remains largely untapped. Gaining access to this market could substantially boost sales for the cheese producers, leading to improved economic performance.

Establishing (with the assistance of donors) a working capital fund for processing factories, could address the liquidity deficit issue caused by the 6-8 month gap between raw material purchase and income collection from cheese sales. This measure would enhance the relations between farmers (raw material suppliers) and the factory (processor), leading to increased production capacity utilization, a transition to a larger economy of scale, and consequently, higher profitability in cheese production.

Expanding sales points (including by negotiating with new supermarket chains) for the produced cheese products and aged cheese could lead to increased sales and, consequently, more efficient utilization of production capacities. This expansion would generate higher profitability.



Micro-cluster members

Private Sector Entities:

#	COMPANY	LOCALIZATION	SPECIALIZATION	CONTACTS
1	SRL "Cimagroelit"	Cimișlia	✓ Sheep farm (200 animals)	☎ (+373) 69 168 964
2	SRL "Rcoviscim"	Cimișlia	✓ Sheep farm (250 animals)	☎ (+373) 61 031 222
3	SRL "Atilactoprim"	Ivanovca Nouă	✓ Goat farm (190 animals)	☎ (+373) 69 369 830
4	GȚ "Caproșu Alexandru"	Dmitrovca	✓ Goat farm (189 animals)	☎ (+373) 69 761 639
5	GȚ "Cosolovschi Vasile"	Sadaclia	✓ Sheep and goat farm (650 sheep and 50 goats)	☎ (+373) 68 997 808
6	SRL "Ferma Păstorului"	Abaclia	✓ Sheep farm (50 animals)	☎ (+373) 69 857 865
7	GȚ "Bîlba Vasile"	Valea Perjei	✓ Sheep farm (78 heads)	☎ (+373) 79 319 141
8	GȚ "Raciovski Lillian"	Hârtop	✓ Sheep and goat farm (323 sheep and 52 goats)	☎ (+373) 69 190 281
9	GȚ "Sandulov Sergiu"	Cenac	✓ Goat farm (350 animals)	☎ (+373) 68 128 093
10	SRL "Farmer Brothers"	Sadaclia	✓ Goat farm (225 animals)	☎ (+373) 67 573 044
11	GȚ "Strogoteanu Sofia"	Gradiște	✓ Sheep farm (83 animals)	☎ (+373) 79 261 802
12	SRL "Garaba Farm"	Sadaclia	✓ Goat farm (120 animals)	☎ (+373) 67 365 365
13	SRL "Sălașul Baciului"	Sadaclia	✓ Workshop for the production of artisan cheese (400 kg/day)	☎ (+373) 69 535 892
14	SRL "GM-Com"	Cimișlia	✓ Cheese factory (16 tons/day)	☎ (+373) 69 189 186
15	SRL "Eliton-Cim"	Mihailovca	✓ Potential fodder producer	☎ (+373) 69 776 689
16	GȚ "Vacarciuc Tamara"	Mihailovca	✓ Agricultural enterprise	☎ (+373) 69 526 179
17	SRL "Quadrivita"	Cimișlia	✓ Meat processing	☎ (+373) 69 202 504

Public Sector Entities:

#	ENTITIES	CONTACTS
1	Cimișlia District Council	☎ (+373) 241 22058

Research, development & innovation entities:

#	ENTITIES	LOCATION	CONTACTS
1	Institute of Biotechnologies in Animal Husbandry and Veterinary Medicine	Maximovca/ Anenii Noi	☎ (+373) 69 654 169
2	Cimișlia Business Incubator	Cimișlia	☎ (+373) 68 763 115

Entities from the associative sector:

#	ENTITIES	LOCATION	CONTACTS
1	The National Federation of Sheep and Goat Breeders for meat and milk from the Republic of Moldova	Cimișlia	☎ (+373) 69 168 964
2	NGO "Dezvoltare prin implicare"	Cimișlia	☎ (+373) 78 141 429
3	NGO "Cimișlieni de pretutindeni"	Cimișlia	☎ (+373) 79 191 177



Development strategy

The vision:

By 2035, the Sheep & Goats micro-cluster from Cimișlia-Basarabeasca will become the most competitive and well-developed production hub in the sheep and goat sector in the Republic of Moldova, with the objective of producing at least 1.5-2 thousand tons of milk annually, with a share of at least 10% processed into high-quality dairy products with increased added value, such as cheese and aged cheese.

This initiative aims to strengthen the cluster's position as a leader in the sheep and goat milk industry in the Republic of Moldova, contributing significantly to the economic development of the micro-region and to offering high-quality dairy products on the market.

Development objectives:

Strategic objective 1: Increase productivity and expand existing livestock farms

- ✓ Support the conversion to animal breeds with increased productivity
- ✓ Support the mechanization and automation of technological processes within farms
- ✓ Support the implementation of digitization tools to reduce costs and increase production quality
- ✓ Support the economic recovery of waste (turning manure into marketable compost)
- ✓ Support the technical endowment and improvement of technological processes within the processing entities

Strategic objective 2: Increase the critical mass and diversify economic activities

- ✓ Support the scaling up of existing farms by increasing livestock
- ✓ Support (including by attracting an investor) the development of a granulated fodder production unit
- ✓ Support (including by attracting an investor) the development of a sheep wool processing unit
- ✓ Support (including by attracting an investor) the development of a local slaughterhouse

Strategic objective 3: Strengthen the cooperation between the members of the micro-cluster

- ✓ Support efforts to strengthen the relationships between farmers and processors
- ✓ Support joint efforts (in partnership with the Maximovca institute) to create new productive breeds of sheep based on productive genetic material, adapted to the conditions of the area
- ✓ Join efforts for the procurement, breeding and preservation of pure breeds
- ✓ Improve animal breeds by joint procurement of rams and goats and use of artificial insemination methods
- ✓ Develop and implement a common scheme for exchange and rotation of procured rams/ goats, based on effective scientific approaches
- ✓ Organize jointly continuous training activities and take over scientific innovations
- ✓ Create a common platform for promotion and marketing of production
- ✓ Support the gradual geographical expansion of the micro-cluster in order to increase critical mass and improve territorial cooperation



Investment opportunities

The most important investment needs of the micro-cluster for expanding and strengthening the touristic value chain:

#	INVESTMENT OPPORTUNITY	LOCATION	ESTIMATIVE INVESTMENT USD
1	Development of a slaughterhouse with a meat processing facility	Cimișlia	\$ 200,000
2	Establishing a compound feed factory: a factory of this kind would support an efficient animal feeding, positively impacting milk and meat production	Mihailovca	\$ 150,000
3	Opening a fertilizer production facility using sheep wool: utilizing sheep wool in fertilizer production could create a new source of income for animal breeders	Cimișlia	\$ 800,000
4	Building an energy-efficient model of modern sheep and goat farm: a modern farm could serve as a model of best practices and bring significant improvements in animal husbandry	Cimișlia	\$ 350,000
5	Establishing a tourist sheepfold: developing a tourist sheepfold could attract tourists and provide additional income opportunities	Cimișlia	\$ 150,000
6	Launching an artistic sheepskin processing workshop for crafting fur products: creatively utilizing sheepskins could generate additional income and promote traditional craftsmanship	Basarabasca	\$ 100,000
7	Initiation of animal waste collection services, their processing and transportation on agricultural land	Mihailovca	\$ 100,000
8	Opening a veterinary service center for local animal breeders: a modern veterinary center would enhance animal care and support their health	Cimișlia	\$ 100,000
9	Constructing a biothermal pit for environmental protection in Cimișlia district: this initiative would have a positive impact on the environment and contribute to proper waste management	Cimișlia	\$ 250,000

