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Programme for Rural Development

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**Beneficiary: ZP "Mitko Stoilov Dimitrov "**

**Purpose:**

**Presentation of the implementation of an investment to build up a Genetic sheep farm for 1000 ewes, breed LACAUNE LAIT, under the Rural Development Programme (RDP) 2007-2013.**

My name is Mitko Dimitrov Stoilov, I'm 42 years old and live in the town of Dobrich.

I would like to present you the following project to build up a modern Genetic sheep farm for 1000 ewes under measure 121 of RDP.

The sheep farm will be built 70 km away from Sofia city, near the very end of "Hemus" highway, linking Sofia and Varna, 3 km away from Yablanitsa town and 5 km from the highway itself, in the region of the Predbalkan (a mountain lying north of the Stara Planina mountain), in a village with 1500 da municipal pastures (which is a prerequisite to reduce the costs as regards the feeding of the animals, since 8 months of the year the animals are taken to graze) and good infrastructure, in a private landed property of 8,324 da, located in the immediate vicinity of a small river, in an area with natural shelter from the north and south exposure. The village is large (450 inhabitants), there is enough manpower, is 60 km away from Lovech, 60 km from Pleven, 20 km from Teteven and 30 km from Ribaritsa,

therefore it can be said that it is an area with potential.

The production of sheep's milk is in much better position compared to the production of

cow's milk since there are no special requirements and production quotas related to it, on the contrary, there is a considerable shortage of sheep's milk products globally and on the European market. Bulgaria is well known as one of the largest producers of quality dairy products in the near past. In 1989, 12 million sheep have been raised in Bulgaria. Today, according to the data from the previous year (due to the inadequate government policy), they are about 300 000 including rams, lambs up to 1 year of age and ewes in both directions- for meat and milk, as this number has decreased even more to date. Currently, Greece is the largest producer and exporter of sheep products in the European Union, as 11 million mainly dairy sheep and the same number of goats are being raised there. This fact and recently the government policy on the part of the Ministry of Agriculture to support and develop the sector determine the fact that under the Rural Development Programme, Measure 121 "Building and modernization of agricultural holdings", 37 million BGN are allocated for building of dairy farms solely under the guaranteed budget in addition to the European and national funding. In 2012, 400 million Euro were available under the said measure. For 2013, over 250 million Euro are earmarked.



The project I am presenting you refers to the building of a new, genetic, exceptionally modern, introducing new standards and having nothing to do with the concept "raising sheep" sheep farm for 1000 dairy ewes. It could rather be called "a milk production plant". All animals raised there will be imported from France, from the breed Lacaune Lait (solely from which the

notorious "Roquefort" cheese is produced), which gives about 350-450 liters of milk per year, lactates 7-9 months long, gives a 180-200% offspring yield, has absolutely no specific requirements for breeding, feeding, acclimatization, nothing different from the requirements for our local breeds. This is evidenced by the spread of this breed in countries all over the world- in Europe, Asia, America and Africa. In 2007, 810 000 ewes have been raised in France under selective control.



In principle, the farm will be producing GENETIC LAMBS FOR BREEDING PURPOSES – ewes and male brood animals, while the milk shall be a by-product, but due to the large quantity of milk produced from the breed the following fact comes up- the produced milk covers the costs of raising the animals while not being dependent on the situation on the domestic market, since it is provided that the lambs shall be sold on the foreign markets- Greece, Italy, Romania, Ukraine, Russia and Turkey.

The farm will dispose of a forage kitchen, an exceptionally modern milking room from the

leader in the milk production and storage "De Laval", constant surveillance, LED lighting, a building with staff rooms, automated and mechanized are absolutely all processes and activities that can be mechanized, as anything is manufactured by the leaders in their specific field. My strategy is to invest to the maximum extent in technologies and mechanization while reducing the employed manpower. The hot water and heating in the farm will be derived from the sun through vacuum tube collectors, transforming the light into hot water, and a geothermal heating installation. The farm will employ 8-10 people.

The project provides for a new farm servicing technique developed by the German mark FENDT as well as equipment for liquid and dry fertilizer transportation.

The farm will have its own source of water.

Within a radius of 500 meters as from the site of the new farm there are about 800 da

of municipal pasture grounds which determines the little costs of feeding the animals. At this stage my company disposes of 100 da of private fields, about 100 da of rented fields and about 150 da of municipal rented pastures. The aim of the company is to increase its private and rented cultivable land up to 1000 da and the pasture to 500 da.

Preliminary calculations for the operation of the farm:

EXPENDITURES by year:

Electricity, water, internet, pays and social security contributions, food for the animals, vaccines, medicines, etc. - about 250 000 Euro per year.

EARNINGS by year:

For 2015 and beyond:

From milk - about 300 000 Euro.

From lambs (after the second year) - about 850 000 Euro per year.

The following grants will be received (according to the grants received currently):

Per head of livestock- about 18 000 Euro per year;

For National genetic pool - about 15 000 Euro per year;

For cultivation of the land there will also be received grants per unit area, as there will be additional support for the village in question.

1. I have a conceptual design to close the production cycle, as there is a concrete product and place for construction. The product has no Bulgarian analogue (hence no competition) as well as a customer segment which it is directed to, as its production will have no seasonal character but will be produced throughout the year. The realization of the product on the European and Arabian market will also be aimed at since the prices there are very good and the product is demanded. The cost of factory- 1 000 000 euro(including VAT)

The value of the project is 2 200 000 Euro, as this amount includes investments in buildings and equipment, 1010 animals and the working credit. In case of endorsement of the project by the paying agency (its happen by the end of May 2013) and after receiving the grant amounting to 850 000 Euro, there will remain 1 3500 000 Euro which can be paid off over the next two years.

For the operation of all projects I have the necessary specialists!

The deadline for the implementation of all projects is 5 (five) years, that is to say that all investments must be implemented by the end of 2018.

With the said annual profit the investments will be recovered within about 5 years!

By implementing these projects we will become the biggest sheep breeding farm in Bulgaria and will set the highest standard in that field. .

Each of the projects can be certified under ISO 9001, ISO 22 000

### **OPTIONS TO JOIN THE PROJECT**

Since there is plenty of information and details, the most precise and detailed idea of all projects can be gained in a personal meeting with the investor.

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