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DIVERSIFICATION OF FARM ACTIVITIES FOR THE GOOD USE OF FINISHED PRODUCTION IN SHEEP

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Abstract: Most professional sheep farms get most of their income from the sale of lambs and of fattened youth, reconditioned meat, and processed products, which means that prices have a great influence on the profitability and viability of the farms. Although professional farms are capable of producing and processing the entire production from sheep, they encounter difficulties, although there are numerous marketing options. In the analysis of marketing options, it is important to compare "net" prices because the different marketing options have different costs and, for these reasons, it is necessary to diversify the farm activities for a direct capitalization at good prices of the finished production. In order to find viable solutions to increase the net income obtained from the valorisation of the products along the most efficient marketing channels, it is necessary to differentiate farm activities, processing and marketing by direct sale and auction sale according to the market trends and the needs of consumption of the population.

• Introduction

Diversification of farm activities, processing, and marketing depending on the type of farm to find viable solutions to increase net income obtained from the valorisation of products on the most efficient marketing channels should include:

- A farmer as a direct producer of products – from one's own resources;
- A direct sale of production to the final consumer (small number) or to the slaughterhouse;
- An auction sale of production:
 - Categories of live sheep by the farmer, herd managers/owners, or slaughterhouse managers/owners;
 - Sheep meat from the slaughterhouse distributed/sold through wholesalers, retailers (retailers), and butchers;
 - Sheep meat exported by slaughterhouses or processed by processors;
 - Milk, sheep milk products marketed by farmers, imported for wholesalers, retailers and processors;
- A meeting of consumer needs and market trends – the last stage of the marketing channel.

Diversifying the activity of professional sheep farms to increase operating income, processing, and capitalization should include the most efficient solutions that contribute to improving marketing management methods.

• Material and method

To improve the economic activity of professional sheep farms, an important aspect is the management of marketing according to market demand and supply, as well as the capacity of farms to adapt to competitive prices and consumer needs. By diversifying the farm activity and specialization, production, processing, and valorisation, it is necessary to adjust the market price according to inflation and to work with the real price, the latter being much more volatile than nominal price and going through deeper cycles. This means that, although the shelf price of sheep meat or dairy products may increase from one year to another, the real price may decrease in the same year, which exerts financial pressure on the producer who should diversify his farm activity according to market needs. For these reasons, in this scientific approach using the known methods by which marketing management can be improved, the authors sought the best solutions that, by diversifying farm activities depending on type, economic power, and producer experience, contribute to good capitalization directly through short marketing channels, auction sales on the domestic or foreign market, or through intermediaries under conditions of increased economic efficiency.

• Results and discussion

It should also be considered that diversifying sheep categories or species types such as goats alongside the base species can lead to benefits, such as more efficient use of previously ungrazed land. The authors believe that this model of species diversification can contribute to increasing the overall resilience of the professional farm and can create new income opportunities through:

A.1. Diversifying the type of products through:

- a. New products from sheep and goat meat, new dairy products;
- b. Improving existing products through re-branding, identifying opportunities for producing products that combine the production of different species;
- c. Wind mills.

A.2. Diversifying the type of farm by transforming a sheep farm into an agri-tourism farm: the activity can be diversified to maintain the stability of any farm, even in difficult times when sales are lower. The profile of an agri-tourism farm can be among the most diverse (Table 1).

Table 1. Profiles of agri-tourism sheep farms

Agri-tourism farm profile	Activities
Agritourism	Taking care of sheep categories; Traditional processing of sheep products.
Travelling and events	Events on the farm; Festival of cheese weighing.
Connection with the earth and the rural	Sheep herding; Vertical or horizontal transhumance; Sleeping on the farm; Sheep accompanying.
Entertainment and relaxation	Consumption of fresh produce; Relaxation, incitation, pleasure.
Education and awareness	Learning to raise sheep; Introducing to processing; Information on farm activities.
Practical experience at the farm	Feeding the sheep; Weaning the lambs; Milking and clearing the milk
Recreation in the open air	Hicking; Leading sheep to water sources or to milking areas.

• Conclusions

Specialising in sheep production and producing for market needs, by diversifying farm activities, can be one of the viable solutions for breeders because the public auction of products has a multitude of advantages and is a method of improving valorisation, being the most convenient method of direct marketing. The sale of processed products from sheep is the most common form of marketing and involves the payment of processing operations based on the cutting and processing instructions received from the client, depending on the processing unit and location but also on sanitary-veterinary management actions; good valorisation also depends on the resilience of the professional farm as a business.