Camel Milk

International Conference: Camel milk overview in the Mediterranean basin

El Oued, Algeria, 22nd of November 2022
Business models and marketing strategies related to camel milk farms and dairies in France, Turkey and Algeria

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MSc economics
Croatia, EU

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Traditional Business models

Old fashion model
a. Traditional camel farm
b. Milking the camel without mechanisation
c. Selling of the raw milk directly to the consumer in a plastic bottle without any branding

Basic rural model with a hygiene and brand awareness
a. Management within the camel farm according to the hygiene standards
b. Milking the camel
c. Selling of the raw milk directly to the consumer in a specially designed plastic or glass bottles

Modern camel milk and dairy product production
a. Management within the camel farm
b. Milking the camel with milking machines
c. Selling of the raw camel milk directly to the consumer in a specially designed plastic or glass bottles
d. Producing pasteurised camel milk and distribution it to the specialised local stores

Modern camel milk and dairy product production
a. Purchasing camel milk from the local farmers
b. Production of pasteurised camel milk and/or powder milk, and other products
c. Selling the products online and in a specialised store

Camel milk and dairy product production promotion and selling - online platforms
a. buying camel milk products from all around the world
b. promotion on social media and web
c. selling and transportation of the product to the final consumer
Innovative Business models
Three basic steps for accessing the new market

Data analysis

Official data not always is presenting the real trends, especially in Africa and Asia

Market trends and demand

There are lot of research analyses that are not open source. Online platforms and social media are good way to start, but getting contact in the targeted market is of crucial importance

Competition & regulation

Regulation are important puzzle in the whole this process and therefore should be carefully analysed. Analysing the competitors, their business models and targets are also an important step.
Markting strategy

1. Stage – setting up a clear goal

- Determine the VISION
- Define the GOALS
- Choose the combination of STRATEGIES to enter the market
- MARKETING plan

2. Stage – Balanced Scorecard

- FINANCIAL
- STRATEGIC
  - COMMUNICATION
  - GROWTH
  - ORGANIZATIONAL
3. Mode of entry

Step 1. CHOOSING THE GENERIC STRATEGY

Step 2. CONSTANT GROWTH STRATEGY

Step 3. ADAPTING THE STRATEGY TO THE SPECIFIC SITUATION IN INDUSTRY AND COMPANY

Step 4. SELECTION OF ADDITIONAL IMPORTANT STRATEGIC DECISIONS

UNIQUE STRATEGY OF THE COMPANY'S MARKET PRESENCE
Marketing strategy

Strategic horizon 1
- Short-term initiatives

Strategic horizon 2
- Mid-term initiatives

Strategic horizon 3
- Long-term initiatives
SWOT – Algeria Tedjane

Strength
- No competition for the pasteurized camel milk
- Brand building already in process
- Having their own transportation process
- Already present at the supermarket (shops)
- Established social media presence
- Uniqueness of the product, great potential for market development

Weakness
- Location of the farm to far from the coast where most of the population lives
- Limited budget for the camel milk marketing
- Dependance on word of mouth, trade fairs and social media
- Low product and brand awareness of camel milk products in urban areas
- Customers may be reluctant to taste new product initially

Opportunity
- Not building enough awareness of camel milk benefit
- Not increasing shelf life of camel milk products
- Skepticism of customers for camel – high price
- Not having enough ambition to increase production
- Becoming the center place for processing all camel milk in Algeria
- Export to other countries (high profit)

Threat
- Algeria the world’s largest importers of milk powder, not enough cows for milk production
- Look for the local partnerships in the coast for further distribution and marketing
- Becoming the center place for processing all camel milk in Algeria

Risks factors:
1. Costs of distribution is too high – profit is smaller than predicted
2. Not following marketing plan and strategic direction
3. Not enough budget allocated for marketing
4. Cheese launch is prolonged
5. Distribution issues
**SWOT – Turkey Kaya**

**Strength**
- Familiarity of people to camels (wrestling)
- Camel milk is perceived as functional food
- Natural product
- Family-owned business
- Opening the Kaya shop
- Kaya brothers are well known in local community

**Weakness**
- Limited budget for the camel milk marketing
- High price of camel milk
- Dependance on word of mouth and social media
- Beginning of the production - costs
- Initial education on health benefits of the consumers is needed

**Opportunity**
- Quality of products + expanding the portfolio (soap, creams)
- Informative promotion (health benefits)
- Local partnership with Ovacik
- Cooperations with restaurants, hotels, gourmet shops in the region

**Threat**
- Other entrants in the future
- Bad cooperation with Ovacik (only processor)

**Risks factors:**
1. Costs of production is too high – profit is smaller than predicted
2. Design of a brand is not done by professionals (product will be perceived as cheaper)
3. Not enough budget allocated for marketing
4. Kaya homemade products store not opening
5. Partnership Cooperation Agreement between the actors.
**Strength**
- Ovacik brand
- Distribution (stores offering dairy products)
- Own processing plant
- Familiarity of people to camels (wrestling)
- Camel milk is perceived as functional food
- Natural product

**Weakness**
- Limited budget for the camel milk marketing
- High price of camel milk vs cow milk
- Dependance on word of mouth
- Beginning of the processing - costs
- Initial education on health benefits of the consumers is needed

**Opportunity**
- Quality of products
- Expanding the portfolio (yoghurt, cheese, ayran))
- Informative promotion (health benefits)
- Local partnership with Kaya and other camel farms from the region

**Threat**
- Other entrants in the future
- Getting permission from the Turkey Ministry of Agriculture
- Legal barriers for exporting on EU market

**Risks factors:**
1. Costs of production is too high – profit is smaller than predicted
2. Design of a brand is not done as advised – in line with current brand but distinctive
3. Not enough budget allocated for marketing, no person in charge
4. Facebook page is not run by a professional
5. Web page is not redesigned
6. Yogurt and cheese are more difficult to produce than expected
7. Cooperation with Kaya is not satisfactory.
### SWOT – France

#### JACO

#### Risks factors:
- Equipment – maintaining and servicing
- Updating the knowledge for production of camel milk products
- Selling techniques
- Marketing budget including digital marketing
- Distribution channel
- War crisis
- Health crisis
- Staff – new employees
- Distribution costs

#### SWOT

<table>
<thead>
<tr>
<th>Strength</th>
<th>Weakness</th>
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<tbody>
<tr>
<td>- Lack of competition for the pasteurized camel milk and cheese in EU.</td>
<td>- Lack of subsidies for camel milk breeders.</td>
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<tr>
<td>- Brand recognition in north of France.</td>
<td>- Limited budget for the camel milk marketing</td>
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<tr>
<td>- Brand strengthening in France, EU and Mediterranean basin under development.</td>
<td>- Not well-known products in EU.</td>
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<tr>
<td>- Own farm and dairy.</td>
<td>- Dependence on word of mouth, trade fairs and social media, on the sport visits of touristic groups.</td>
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<tr>
<td>- Present at the local shops and supermarket</td>
<td>- Low product and brand awareness of camel milk products in the big urban areas.</td>
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<td>- Established social media.</td>
<td>- Except customers that are visiting agricultural fairs the other customers may be reluctant to taste new product initially.</td>
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<tr>
<td>- Uniqueness of the product, great potential for market development.</td>
<td>- The quality of life in the EU allows consumers to buy an expensive product.</td>
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<tr>
<td>- Good location, connected with flights, roads, trains.</td>
<td>- Scepticism of customers for camel milk quality</td>
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<tr>
<td>- The quality of life in the EU allows consumers to buy an expensive product.</td>
<td>- Lack of export regulatory - regarding export in second phase</td>
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</tbody>
</table>

#### Threat
- African counties if regulation allow them could became big exporter of cheaper camel milk products, then the one produced in EU.
- Look for the local partnerships in the coast for further distribution and marketing
- Export to other countries (high profit)
- Short shelf life of the pasteurised camel milk
- Scepticism of customers for camel milk quality
- Lack of export regulatory - regarding export in second phase

#### Opportunity
- Becoming the centre place for production and processing all camel milk in EU
- Raising the awareness of camel milk benefit within EU
- Research papers proofing the positive effects of camel milk
- Export in other EU countries
### Business models - Algeria

<table>
<thead>
<tr>
<th>Key partners</th>
<th>Key activities</th>
<th>Value proposition</th>
<th>Customer relationship</th>
<th>Customer segments</th>
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</thead>
</table>
| Camel milk producers and processors  
- Retailers  
- Ministry of agriculture  
- Research institution | - Working on legislation to satisfy national demands for camel milk production  
- Working on legislation for exporting the camel milk in EU  
- Processing of camel milk to obtain camel dairy products (Tedjane)  
- Local distribution of these products and make them available and affordable for consumers  
- Access to financial institution and favorable credit lines  
- Expert support: production methods, business development, marketing | Production and distribution of camel milk and camel dairy products, an innovative, healthy and sustainable alternative to cow milk. | - Processors  
- Retailers (supermarkets) | - Local people due to bad transportation infrastructure (mainly buyers in peri-urban tea saloons)  
- People that are not very demanding in terms of quality and hygiene standards  
- Family, friends and neighbors of local farmers  
- People that visit mini markets and shops in the El-Quad and Alger areas (processed milk) |

<table>
<thead>
<tr>
<th>Key resources</th>
<th>Channels</th>
<th>Cost structure</th>
<th>Revenue Streams</th>
</tr>
</thead>
</table>
| - Over 350,000 camels in country  
- Camel milk processing facilities (Tedjane)  
- Variety of products – pasteurized camel milk, laben, cheese and soap  
- Camel farms | - Mostly digital sales / Websites  
- POS (farms) | High cost of maintenance – feeding, farm facilities, camels, parlor, milking systems, high transportation costs  
Packaging costs, marketing costs, distribution costs | Selling of pasteurized camel milk, laben, camel cheese and camel milk soap |
### Business Models - Turkey

<table>
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<th>Key partners</th>
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<th>Customer segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Camel milk breeders</td>
<td>• Production of raw camel milk and pasteurized milk</td>
<td>Production and distribution of camel milk and camel dairy products, an innovative, healthy and sustainable alternative to cow milk.</td>
<td>- B2B 'business to business'</td>
<td>- Local people near the production farms that buy directly from farms or order over websites</td>
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<tr>
<td>- Camel milk dairy</td>
<td>• Rearing of wrestling camels</td>
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<td>- B2C is 'business to consumer'</td>
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<td>- Camel wrestling and rearing farms</td>
<td>• Increasing the number of female camels</td>
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<td>- Farms</td>
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<td>- Local authority</td>
<td>• Using camels for touristic purpose</td>
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<td>- Retailers (supermarkets)</td>
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<td>- Agricultural faculty</td>
<td>• Focus on processing of camel milk to obtain camel dairy products and cosmetic products</td>
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<td>• Access to financial institution and favorable credit lines</td>
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<td><strong>Customer Relationship</strong></td>
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<td><strong>Channels</strong></td>
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<td><strong>Key resources</strong></td>
<td>• Expertise in camel management and raw milk production</td>
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<td>• Camel farm and parlor facilities</td>
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<td>• Expertise in production of fodder crops such as dry clover, corn silage for camels on field plots</td>
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<td>• Camel milk cannot be replaced by another milk</td>
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<td>• Established milk processing facilities (assured low transportation costs)</td>
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<td>• Suitable roughage production conditions</td>
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<td><strong>Cost Structure</strong></td>
<td>High cost of maintenance – feeding, Farm facilities, camels, parlor, milking systems</td>
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<td>Selling of fresh and frozen raw camel milk, selling of camels for tourism and wrestling</td>
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<tr>
<td><strong>Revenue Streams</strong></td>
<td>Packaging costs, marketing costs, distribution costs</td>
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## Business models - Fance

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</thead>
</table>
| - Camel milk producers and processors  
- Retailers  
- Local authority  
- Ministry of agriculture  
- Research institutes and faculties | - Legislation issues  
- Investment in modernized camel milk daily  
- Acceptance of camel milk product  
- Access to financial institution and favorable credit lines expert support: production methods, business development, marketing | Production and distribution of camel milk and camel dairy products, an innovative, healthy and sustainable alternative to cow milk. | C2C  
B2C  
Market places  
Specialized stores  
Distributors  
Retailers  
Producers directly | - Population allergic to bovine proteins  
- Asian and African population  
- Diabetic population  
- People aware of sustainability  
- Healthy people willing to shift from cow milk  
- Trendy people in natural foods and exotic cuisine |

### Key resources
- Lot of Asian and African population used on came milk products  
- Synergies with other economic activities  
- Existing camel milk farms  
- Support of the local authorities and ministry of agriculture  
- Highest score in health and wellness indicators  
- Well developed C2B and C2C platform [https://www.camel-idee.com/](https://www.camel-idee.com/)

### Channels
- Social media  
- Websites  
- Advertisement  
- Retailers and hotels  
- Supermarkets  
- Local stores

### Cost structure
Camel health related cost that are very high, Farm facilities, camels, milking systems, animal feed. Packaging costs, marketing costs, distribution costs

### Revenue Streams
Selling of camel milk and camel dairy products and cosmetic to customers / businesses, tourism activities
Next steps
Login to CAMELMILK PROJECT

Username

Password

Did you forget your password?

☑️ Remember me

LOGIN

Do you need help?

Check out all the essential information for opening a camel farm. Make the right investment decisions with CAMELMILK PROJECT software.

Check out the business of your camel farm!
### INVESTMENTS

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<tr>
<th>Scenario</th>
<th>2021</th>
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### DEPRECIATION

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### DEPRECIATION COST

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**Source of Revenue**

- Revenue from milk
- Revenue from other products
- Revenue from selling camels
### EXPENSES

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### SOURCE OF EXPENSES

- Cost of utilities
- Transportation cost
- Number of bottles
- Cost of food
- Total quantity
- Travel cost
- Maintenance cost
- Purchase price
- Loan
- Number of camels
- Accounting
- Cost of bottles
- Marketing cost
## PROFIT & LOSS STATEMENT

### REVENUE
- Revenues from sales milk
- Revenues from other products
- Revenues from selling camels

### EXPENSES
- **MATERIAL COSTS**
- **SERVICE COSTS**
- **COST OF EMPLOYEES**
- **OTHER COSTS**
- **DEPRECIATION**

### EBITDA
- **EBITDA %**
- **EBIT %**
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Revenue growth: 21%
EBITDA margin: 11%
Free cash flow growth: 7%
Camel Milk

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