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SUCCESS STORY

Kuc Retail Shops Insure Cash-Flow

The new Kuc Dairy retail shops have proven critical to insuring that the dairy has an adequate cash flow.



Photo: Kuc Dairy

Kuc Dairy (www.kuccompany.co.rs) now has a new and growing retail network which is used to sell their specialty dairy products, and to insure a steady cash-flow for their business operations.

The USAID Agribusiness Project provided Kuc Dairy with partial funding, through a grant program, so they could establish the new retail network and establish an attractive and modern visual identity for their retail stores.

Mr. Jezdimir Kuc, the owner and manager of Kuc Dairy, is a true entrepreneur. He owns a medium sized dairy in Kragujevac in Central Serbia, and he is working hard to maintain the business and be socially responsible during the global financial crisis. With help from the USAID Serbia Agribusiness Project, Jezdimir has managed to overcome the problem of delinquent payments by the supermarket chains, and he has developed a specialized retail network called “Livade”. The Kuc Dairy has opened 11 specialty dairy retail shops, which now employ 22 people. In addition, as a result of the increased demand for their products, Kuc Dairy has added another 10 employees on their farm and in their dairy operations.

“We were challenged by the global financial crisis to find a way to maintain our cash flow, and opening our own retail network looked to be a good alternative. It wasn’t an easy decision, since we have current investments and outstanding loans”.

Kuc Dairy is one of a number of small and medium scale dairy plants that receive assistance from the Agribusiness Project to increase their competitiveness. Located in Central Serbia, Kuc Dairy has a strong reputation among local consumers. In the recent past they invested in developing new product lines, and in ensuring a quality milk supply from their own farm. They also extended distribution to the national market, where Kuc Dairy specialty products became popular. However, the global financial crisis has affected Serbia, and as a result they were suffering from delayed payments from retailers, and poor cash-flow. Instead of growing, the company began stagnating.

Kuc Dairy had to take some serious decisions to change course and stop the decline in their business. In cooperation with the USAID Agribusiness Project, they picked a professional marketing agency, which developed their new visual identity and brand name for their retail stores. “When we started the process, we planned to open a limited number of stores. Now with promising sales, and an everyday cash flow, we are ready for expansion. Kuc Dairy has now opened 11 stores, and added 32 new employees, but that is not the end. We plan to expand our network to all the major cities in Serbia.”