

Nova Nut: An organic recipe for success

Background



Ion Cuhai once dreamed of setting up a successful and very profitable company. As a young entrepreneur, “I particularly wanted my company to act in harmony with the environment, to provide new jobs for locals and to sell healthy and organic produce to its customers,” he explains. Ion was able to achieve this by setting up an organic business. In 2005, he unveiled the ‘Nova Nut LLC’ company alongside two German businessmen. Nova Nut LLC did not benefit from any grant or financial aid for its start-up – its cofounders instead made a remarkable sacrifice and used their own resources.

Ion Cuhai’s success as an entrepreneur also stemmed from his previous work as a business manager for a German company purchasing organic products. This – together with knowing some very important contacts – allowed him to learn of the high demand in the German market for walnuts. Sensing the increasing demand for this product, Ion decided to act and explore this market so as to follow his dream.

The young entrepreneur quickly rolled up his sleeves and devised a plan to start setting up his own company. Firstly, he identified if the farmers he knew could guarantee loyalty and dedication. Several meetings were held to discuss and explain the particularity of the business, so that producers felt highly motivated to work with the company. “Farmers who agreed to do so were not disappointed,” Ion assures. Tellingly, the number of producers quickly grew to 2217 and farmland for certified organic walnut orchards expanded to 1847 hectares – pointing to a very promising future for the company. Since walnuts generally grow in the wild with no special treatment, there is no point in using agrochemicals. Moreover, they adapt to their environment with ease. In order to reflect this, the contracted farmers were therefore provided specialized training from local experts and foreign ones from Germany, Switzerland and Austria. The specialists also helped Nova Nut begin the path towards getting organic certification – a process which lasted nearly three years until, in 2006, the first Nova Nut products were officially certified as organic. As a result, the company took flight in the coming years and organic walnut kernels exports to Germany increased from 60 tons in 2007 to 300 tons just five years later.

Challenges

Two main milestones mark the company's development. The first relates to connecting the business with the international market. To achieve this, Nova Nut's founders came up with a marketing plan eyeing export opportunities and quickly identified the company's weaknesses and challenges the business would face in future. These challenges included ensuring that the time and investment would be in place to seize the chance to export successfully. "This represented a major commitment, but if things were to go as planned, it could mean the business expanded internationally", says Ion. The second milestone was in 2013, when Ion bought up all remaining shares in the business and was left in sole charge of the company. At the same time, exports ballooned to 80%, and new storage facilities were put in place – his organic bet was paying off.

Nova Nut's appearance on the international market was particularly clear when the company participated in the world's leading trade fair for organic food Biofach, thanks to support from UN Environment and partners under the 'Greening Economies in the Eastern Neighbourhood' (EaP GREEN) programme financed by the European Union. "This was a tremendous promotion opportunity, as it allowed us to foster new clients and upgrade our image and reputation for existing buyers as being committed and serious," Ion explains. In 2015, Nova Nut was recognised as the second largest exporter in Moldova, and also strives to set an example for others. Since 2015, the business has further progressed and gained importance. Its products are certified as organic by the European Union – opening up a wealth of further export opportunities - and the company also obtained the IFC certificate.

The way ahead

Ion Cuhai has a clear idea of where he intends his company to go from here. The young Moldovan entrepreneur aims for exports to increase yearly by 5% and to sell to Nordic countries in future too. Nova Nut has developed a strong global network, exporting to Europe, Asia, Oceania and North America. The need to constantly meet a highly diverse range of client requirements is just one of the many challenges taken on by companies entering the international market. This demands a high level of motivation and resilience from the person steering the company. As of today, the business has not encountered a single bad experience thanks to its intensive contact with the buyers and has not received a single complaint relating to the quality or the schedule of exports.

"You need to plan carefully and constantly review your business," Ion answers when asked what advice he would give to someone wanting to set up a similar business themselves. Entrepreneurs should also be ready to constantly adjust in the face of environmental changes and tackle each challenge with conviction, he underlines. It is no accident that Nova Nut is flourishing: its founder is a man who loves his job and the environment and is committed to providing the best conditions for all those involved with his company, just as he dreamed of some years ago. Ion Cuhai gains his employees' loyalty and enthusiasm by showing them respect and providing them with a friendly environment to work in every day.