

## LATVIA

# Local development

### Location

Krāslavas novads

### Programming period

2014 – 2020

### Priority

P6 – Social inclusion & local development

### Measure

M19 – LEADER/CLLD

### Funding

Total budget 48 886.91 (EUR)

EAFRD 23 270.16 (EUR)

National/Regional 10 950.67 (EUR)

Private 14 666.08 (EUR)

### Project duration

2019 to 2020

### Project promoter

Amodus, Ltd

### Email

[artjoms.gekiss@inbox.lv](mailto:artjoms.gekiss@inbox.lv)

### Website

[https://laukuforums.lv/lv/arc\\_hives/13289](https://laukuforums.lv/lv/arc_hives/13289)

LEADER support enabled an entrepreneur to establish a microbrewery in south-eastern Latvia.

## Summary

Artjoms Gekišs started brewing more than ten years ago. What started as a hobby evolved into a viable business plan which, with support from the "Krāslava District Partnership" LAG, then became the "Murza" microbrewery.



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## Project Results

Three new niche beer products (a pale, a red and a brown ale) are now available at outlets across the country.

This new business and its high-quality local products contribute to the socio-economic development of the local area.

## Lessons & Recommendations

- ❑ Launching a new business requires a significant personal investment of time and energy, in addition to costs. Sound financial planning is essential, as is a clearly defined target market and sales channels.

## Context

Artjoms Gekišs, the owner of “Murza” brewery, started brewing more than ten years ago. What started as a hobby slowly turned - through dedicated experimentation and hands-on learning - into a viable business plan, as Artjoms visited breweries and events, researched beer recipes, and familiarized himself with beer production equipment.

Responding to an open call for proposals from the ‘Krāslava District Partnership’ Local Action Group (LAG) Artjom’s applied for support under their 2015-2020 Local Development Strategy: "Support for processing of agricultural products, including packaging of own produced products, their sale on the market, as well as for creation of quality working conditions, improvement of competences and productivity of employees".

## Objectives

The aim of this project was to establish a micro-brewery for commercial beer production in the Krāslava region.

## Activities

Following an initial investment at his own expense (EUR 5 000 to adapt the premises to the sanitary requirements of a brewery) Artjoms used EAFRD funding to acquire the necessary equipment for the brewing process. This included a set of brew kettles with a capacity of ~ 450 l of finished wort per brewing cycle; a mill for the preparation of malt; and four cylindrically conical fermentation tanks of 1000 litres capacity with cooling cover for beer fermentation. Each one can simultaneously ferment and mature the products of two brewing cycles. The brewery’s maximum annual production with this equipment is up to 50 000 litres, with an average of two brewing cycles per week.

Finally, Artjoms obtained the approval of the food control authorities, concerning the premises’ compliance with hygiene requirements, and a license to operate as an authorized warehouse keeper of excisable goods.

## Main results

“Murza” brewery has launched three new beer products (a pale, a red and a brown ale - available at outlets across the country). This contributes to local socio-economic development and meets a growing demand for niche products. Artjoms is now planning the next steps in the development of his business, with two more funding applications submitted to the LAG, concerning brand development and mobile sales.

## Key lessons

When planning a startup business, it is essential to identify a target market and relevant sales outlets. “Murza” brewery creates niche products which sell for a relatively high price.

Sound financial planning is also essential. Even though the entrepreneur received EAFRD funding, he had to pre-finance his project and ensure enough reserve funds to cover unexpected costs such as repairs.

When purchasing equipment, great attention should be paid to its quality and how reliable the supplier of the equipment is.

Launching a new business and a new product requires a significant personal investment of time and energy, in addition to costs.

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### Additional sources of information

[www.facebook.com/bruzis.murza](https://www.facebook.com/bruzis.murza)

[www.instagram.com/bruzis.murza/](https://www.instagram.com/bruzis.murza/)