

BULGARIA

Farm performance, restructuring & modernisation

Location

Dolni dabnik

Programming period

2014 – 2020

Priority

P2 – Competitiveness

Measure

M4 – Investments in physical
assets

Funding (EUR)

Total budget 1 495 653.23
RDP contrib. 972 174.57

Project duration

2015 – 2018

Project promoter

'Kamelia-Vasil Getov' Ltd.

Contact

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Website

n/a

A market-driven investment to increase a sheep farm's competitiveness, through the intensification of high quality organic milk production.

Summary

The beneficiary 'Kamelia-Vasil Getov 1' Ltd. is a registered farmer with over 15 years of experience in grain and sheep milk production. The farmer wanted to improve the sustainability and the competitiveness of his farm. So, he explored ways to adapt to changing market trends, especially to address the increasing consumer demand for healthy, organic foods.



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In this context, the beneficiary decided to move into organic production. He used support from the Rural Development Programme to expand the farm's activities by investing in a new sheep farm building and in equipment for animal breeding (feeding, watering and milking).

Results

The investment made milk production more efficient and cost-effective. It increased revenue and reduced the production cost.

One new full-time job was created.

Producing high quality organic milk enabled the company to respond to increasing demand for the product and to enter a niche market.

The business maintained high environmental standards throughout the process and also improved hygienic, veterinary, and phytosanitary conditions.

Lessons & Recommendations

- ❑ Sustainable and competitive agriculture can be promoted by using RDP support to invest in new innovative technologies in the sector.
- ❑ It is vital to acknowledge the farmer's key role in preserving the environment. This project illustrates how converting from conventional to organic agriculture can help agribusinesses ensure their sustainability.
- ❑ Good cooperation and interaction between many different stakeholders was a key factor in ensuring the successful transfer of knowledge and experience.

Context

The beneficiary 'Kamelia-Vasil Getov 1' Ltd. is in the Dolni Dabnik municipality in the Danubian Plain of central northern Bulgaria. The farm's production is centred on horticulture producing grains, oil crops and grazing pastures on a total area of about 320 hectares. It also focusses on livestock, specifically, breeding Assaf sheep for milk production.

The farm is market-oriented, striving to continuously increase its competitiveness through the production of high-quality products, maximising the utilisation of production resources and regional advantages, while protecting the environment. The farmer was looking for opportunities to increase the profitability of the farm by responding to the increased demand for health and organic products (both in Bulgaria and in other EU Member States).

In this context, he decided to convert from conventional sheep breeding and grassland maintenance to organic production. The farmer was also motivated by the fact that organic farming is supported through the Common Agricultural Policy. He undertook a voluntary five-year commitment under Measure 11 of the RDP 2014-2020. In 2015 he applied for financial support for investments under the RDP sub-measure 4.1. 'Investments in agricultural holdings'.

Objectives

Some of the key objectives of this investment project were to:

- improve the competitiveness of the farm;
- introduce new technologies that contribute to the production of high quality organic-products; and
- help the farm adapt to market trends and the demand for healthy and organic- food.

Activities

As part of this investment project, a new milking area was constructed using a 2x36 cells model with a quick exit. A new sheep pen was also constructed so that in total, the farm can accommodate 1 536 animals.

The modernised farm now includes three production buildings: two sheep-pens which accommodate 768 dairy sheep each. The pens have motorised windbreaks to

create a natural airflow. The surface in each pen is covered with compacted soil and straw. This helps to ensure the pens' interiors resemble the animals' natural environment.

The third building is for milking. It allows for the simultaneous milking of 72 sheep in two rows. The dairy parlour is located between the two sheep-pens. In the dairy parlour, there are also birthing compartments for suckler lambs. The 'quick exit' in the hall means that all animals in the row are released at the same time after milking. The animals enter the dairy parlour from the side of their pen, and they return to their respective pen directed by automated doors. On the way to their boxes, the sheep pass through corridors with doors that allow to separate animals for veterinary treatment, artificial insemination, etc. All buildings are fully equipped with the necessary drinking and feeding troughs, manure cleaning paths, ventilation and air conditioning.



The new sheep farm is compliant with the provisions of Regulation (EC) No 834/2007 and Regulation (EC) No 889/2008 on organic farming.

The investment was supported by several actors including the farmer's association which provided information on how to access funding support through the sub-measure of the RDP 2014-2020. It also provided links to the organic certification bodies. A consultant was hired to develop the business plan and help the farmer to meet and report on all the commitments during the monitoring period. A supplier and a designer offered technical advice and recommendations on the selection of the equipment and the restructuring of the farm. A veterinarian provided advice on sanitary and hygienic requirements and the central and regional authorities guided and supported the beneficiary. Local authorities issued the necessary permits and finally, a bank provided security for the implementation of the project.

Main Results

The investment increased the efficiency and cost-effectiveness of milk production on the farm. The revenue increased, while the production cost was reduced. The financial results of the project are likely to enable easier access to credit and new investment opportunities. The internal rate of return is 46%; the profitability index is 2.56, and the payback period is 3.91 years.

One new full-time job was created.

By investing in innovative technology and maintaining strict control over the whole process, the farmer ensured high quality production.

The project responded to increasing demand for high quality organic milk and entered into a new niche market.

The business complied with the highest environmental standards and improved hygienic, veterinary, and phytosanitary conditions.

Key lessons

The project demonstrates how EU support enables the development of sustainable farms, even in the most remote rural areas.

As shown by this example, sustainable and competitive agriculture can be promoted by using RDP support to invest in innovative technologies in the sector.

It is vital to acknowledge the farmer's role in preserving the environment. This project illustrates how converting from conventional to organic agriculture, can help agribusinesses to achieve sustainability.

Good cooperation and interaction between many different stakeholders was a key factor in ensuring the successful transfer of knowledge and experience.

Additional sources of information

n/a