

CZECH REPUBLIC

Agri-food chain integration & quality

Location

Žďár

Programming period

2014 – 2020

Priority

P3 – Food chain & risk
management

Measure

M04 – Investments in
physical assets

Funding (EUR)

Total budget 46 862
EAFRD 6 001
National/Regional 6 490
Private 34 371

Project duration

2016 – 2019

Project promoter

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The project saw an unused calves' shed converted into a farm shop selling organic products.

Summary

The family farm Biofarma ARNOŠTICE in Bohemia historically focused on beef cattle production. In 2006, it was certified as organic and sold meat from the farm.

The owner decided to expand the range of products he sold and so he acquired an unused calves' shed which he aimed to convert it into a farm shop. In 2016, he used RDP support to reconstruct the old building and purchase equipment for the shop, including equipment for processing meat.



Results

The merchandise that is available in the shop increased significantly. This is appreciated by existing customers and brought in new customers as well.

As the range of produce has expanded, the farm income has gradually increased.

Lessons & Recommendations

- ❑ The administration of the project was not easy. First, the project did not receive preferential points for meat and fruit processing, although these activities both belong to the priority sectors in the Czech RDP. This was because none of them were marked as the main economic activity of the farm.
- ❑ Generally, the communication with the paying agency (the State Agricultural Intervention Fund) was not optimal. Some information and responses came too late to be reflected in the application and its later revision.
- ❑ Despite the administrative challenges, the beneficiary appreciated the RDP (EAFRD) support. The investment was part of the long-term strategy of the farm; the support allowed the project to launch earlier, which has benefitted the farm, as well as the customers.

Context

Biofarma ARNOŠTICE is a family farm that manages about 340 ha of land in Bohemia. The farm's goal is to maintain the picturesque landscape and promote a sustainable way of life, based on the production of healthy food. Historically, the farm concentrated on beef cattle production and since 2006, it has been certified as organic. At first, only fresh meat was sold on the farm.

In 2011, the owner bought an unused calves' shed to set up a small farm shop for selling the farm's produce. In 2015, the farmer added fruit production to his portfolio by buying and renting nearby orchards. As customers showed interest in the processed meat products, it became a necessity to set up the farm shop to provide adequate space to also sell fresh fruits, marmalades and other processed meat products. To reduce the burden of this investment the farmer decided to apply for RDP support.

Objectives

The objective of the project was to improve the competitiveness of the farm holding by setting up a farm shop to sell their local produce and with adequate space for meat and fruit processing.

Activities

The investment included the reconstruction of the old farm building into a shop and processing facility, and the purchase of equipment for the shop and for processing of meat and fruits.

Originally the farmer's business plan forecasted setting up the farm shop after investing in the fruit orchards; in the end the need for it came earlier. Before making his final decision, the farmer developed a project plan and calculated the costs, and investigated the opportunities for RDP support.

The preparations to convert the shed started early after submitting the project application in 2016. Once the RDP support was approved, the farm selected the contractors. The construction work was quite demanding and lasted about a year. When the building was completed, the furniture and equipment were acquired, with the cash desk being last item installed. It took a couple of months to make the shop and processing workspaces fully operational.

The investment was completed with only slight changes. A de-stoning machine was not covered by the RDP support, as the owner had the opportunity to buy a second hand one before the project was launched.

Main results

The variety of products processed and sold in the farm shop increased significantly. This was appreciated by customers and brought in new customers as well.

As the range of produce has expanded, the farm income has gradually increased.

The investment helped the farm to have a positive impact on the local economy.



Key lessons

The renovation of Arnoštice farm is a typical case of family farming resurgence in the Czech Republic. Turning the ruins and brownfields into a viable farm with a shop on site, is greatly appreciated by local people and weekend visitors. The reconstruction of the building, purchase of the equipment and its installation, went smoothly without serious problems. However, the administration of the project was not easy. First, the project did not receive preferential points for meat and fruit processing, although these activities both belong to the priority sectors in the Czech RDP. This was because none of them were marked as the main economic activity of the farm.

Generally, the communication with the paying agency (the State Agricultural Intervention Fund) was not optimal. Some information and responses came too late to be reflected in the application and its later revision. The beneficiary was also disappointed by the exclusion of some investment elements (functional parts of the building) like staircase, loft, etc. from the support. The proposed green (grass) roof of the farm shop was regarded as unacceptable luxury by the paying agency.

The beneficiary also noted that other projects that were supported through the Local Action Group ran more smoothly for both sides. This is mainly because of the better communication, advice and understanding of family farm business and innovation by the LAG. On the other hand, the LEADER process lasted longer compared to those implemented in direct contact with the paying agency.

Despite the above administrative challenges, the beneficiary appreciates the RDP (EAFRD) support. The investment was part of the long-term strategy of the farm; the support allowed the project launch earlier, which benefitted the farm and its customers.