

## FINLAND

### Agri-food chain integration & quality

#### Location

Sampu

#### Programming period

2014 – 2020

#### Priority

P3 – Food chain and risk management

#### Measure

M04 – Investments in physical assets

#### Funding (EUR)

Total budget 175 031.00

EAFRD 25 729.55

National/Regional 35 531.30

Private 113 770.15

#### Project duration

2015 – 2018

#### Project promoter

Mattila farm

#### Contact

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#### Website

[www.mattilanmarjatila.fi/](http://www.mattilanmarjatila.fi/)

On-farm processing can add value to the product and can also make farming a more attractive choice for young farmers - as demonstrated by a berry farm in Finland.

### Summary

Mattila berry farm in the Huittinen, Satakunta region of South-West Finland, is a typical, family-owned, specialised plant production farm. The farm went through a generation change in 2003 and has since been heavily investing in on-farm processing and direct sales to customers in order to improve profitability. The Finnish RDP has supported the farm's investment in a berry processing unit.



### Results

The turnover in 2017 was 1 800 000 euros: already exceeding the set target.

The number of full-time jobs increased from 10 in 2015 to 27 in 2017.

The new processing facilities allowed for the development of new products. One example that sells very well is raspberry sparkling wine.

Interest in on-farm shopping has increased. The farm shop had about 10 000 visitors and 4 000 sales in 2017. The value of purchases has been steadily growing too.

### Lessons & Recommendations

- ❑ The Mattila berry farm example shows that with smart specialisation, farming may become very profitable and create new job opportunities.

### Context

One of the reasons for low farm profitability is that unprocessed crops are sold at a low price to the processing industry. On-farm processing adds value to the produce and makes farming a more attractive choice for young farmers. The Finnish continental RDP is encouraging farmers to invest in on-farm processing facilities, with a higher investment support rate. In the most intensive agricultural area, in the South-West of the country, the general investment support rate for micro and small sized businesses is 20%, but for on-farm processing facilities it is 35%.

Mattila farm has been carefully managed for two generations. The current owners, Tarja and Seppo Matomäki, switched from the grain crops cultivated by Tarja's parents to growing berries in 2003. Over the years, the farm has grown from a small half-hectare strawberry garden into multiple hectares of cultivated berry fields. The range of crops has also increased. On top of strawberries and green peas, the farm also grows raspberries (since 2008) and early potatoes (since 2009). Tarja and Seppo also started making farm-bottled berry wine in 2012.

The first investments in on-farm processing and sales quickly paid off and Tarja could quit her outside job and become fully employed by the farm and its development, like her husband Seppo. The need to grow the business further and invest in a bigger berry processing unit became apparent in 2015 when the demand for products had grown considerably.

### Objectives

The objective of the investment was to increase the competitiveness of the farm by investing in a larger and more versatile production facility.

### Activities

The project support was used to build a 634m<sup>2</sup> hall for berry processing, with additional supporting functions including freezing and packaging units. The new processing facility would enable bigger production volumes of jams, juices and berry wines, but also the development of new product ranges. The project aimed to increase farm turnover from 680 000 euros of sales per annum to 1 100 000 euros and create new full-time jobs.



### Main results

The rapid results of the investment have been a positive surprise for the farmers. The 2017 turnover was 1 800 000 euros: already exceeding the target they had set for themselves.

The number of full-time jobs has grown from 10 in 2015 to 27 in 2017.

These results are primarily due to the fact that the new freezing unit enables the farmers to sell their berries on the nationwide market.

Another reason for the rapid growth has been the launch of exciting new products – such as raspberry *sparkling* wine – that is now possible thanks to the new processing facilities.

Finally, there has been a marked increase in consumer interest in on-farm shopping, which has been steadily pushing the farms sales figures too: the farm shop welcomed about 10 000 visitors in 2017 and 4 sales.

### Key lessons

On-farm processing projects are fairly rare in the Finnish RDP. They require lots of knowledge and engagement from the farmers, who are often busy enough with their regular farming duties and are, in many cases also working outside of their farms too. The Mattila berry farm example shows however, that with smart specialisation, farming may become very profitable: even creating jobs for people outside of the family. It is hoped that examples such as this one may help other farmers to take similar steps – bearing in mind that it takes some time: the transformation of the Mattila berry farm is the result of 15 years of development.

*“We are a perfect match, my husband and I: he knows about agriculture and I know about food and drink processing. For those who want to follow our farm's development steps: think big, be different from the others and a little bit crazy too!”*

**Tarja Matomäki, farmer**

### Additional sources of information

[www.facebook.com/mattilanmarjatila/](http://www.facebook.com/mattilanmarjatila/)