

## HUNGARY

# Agri-food chain integration & quality

### Location

Hódmezővásárhely

### Programming period

2014 – 2020

### Priority

P3 - Food chain & risk management

### Measure

M04 – Investments in physical assets

### Funding (EUR)

Total budget 259 328

EAFRD 103 731

National/Regional 25 933

Private 129 664

### Project duration

2020 – 2021

### Project promoter

Zöld Forrás 2001 Ltd.

### Contact

[info@agroszemek.hu](mailto:info@agroszemek.hu)

### Website

n/a

A family business focused on Sorghum cultivation used EAFRD support to set up their own mill and now supply high quality, gluten free Sorghum flour to the Hungarian market.

## Summary

A family business engaged in the production of sorghum seeds and sorghum cultivation, used support from the EAFRD to establish a mill using traditional millstone grinding technology.

The mill received its operating license in April 2021, and it produces a uniform, stable, high-content, gluten and toxin-free product for the Hungarian market.



## Results

The mill received its operating license in April 2021.

The mill does not rely on other producers for raw material; they manage the entire life cycle of the product. The beneficiary's father's farm produces high-quality sorghum, which they consider the most appropriate for the mill. This guarantees a standard, high quality of flour for human consumption.

The development created three new jobs.

Due to the high interest by Hungarian companies (distributors, bakers, pasta and biscuit industries) in sorghum flour, in 2021, the area sown with sorghum will be three times larger than last year.

## Lessons & Recommendations

- ❑ The evaluation of the application was a very long process. The application was submitted in 2016 and the decision was taken in 2020. Meanwhile, the exchange rate between the Euro and the Hungarian Forint changed and the prices increased. Thus, the costs specified in the original application were no longer realistic. The development was finally achieved thanks to the commitment of the applicant. A quicker evaluation process in the future, would help to mitigate changes which affect the relative costs and circumstances of a project.

## Context

Sorghum is an ancient crop that has been grown for thousands of years. As a raw material it is used for feeding animals as well as for making products for human consumption. For example, in Africa it is used to make beer and flour, while in the USA it is used to make flour.

The cultivation of sorghum in Hungary started a few decades ago, and now the area being sown is constantly growing. In the last three years it has tripled and currently it is grown in 35 000 hectares across the country. In Hungary, it was initially used only for feeding animals. However, the product is of very high quality and is gluten-free and with rising dietary awareness, there is a growing interest in it for human consumption. In addition, as it is a drought-tolerant plant, it is suitable to be grown in dry areas affected by climate change.

After discussions with distributors, pasta and biscuit manufacturers, the beneficiary identified a gap in the market for nationally grown, good quality, sorghum flour as a raw material. Hence, the family decided to build their own mill and start to make flour from their own grain.

The beneficiary's father has been involved in sorghum cultivation since the 1980s. In 1990, the state-owned company where he used to work ceased to exist, and he decided to start his own farming business. The farm he established back in 1990 is still focusing in sorghum cultivation and seed production, and additionally it also produces raw materials from 200 hectares. The Mill (established by the beneficiary's company) is independent from the family farm, however, it has been built using the contacts, knowledge and experience from the gain from the family business.

## Objectives

The objectives of this investment project were to establish a business to produce high quality sorghum flour and achieve higher income by increasing the product's added value, while creating new job opportunities in the region.

## Activities

The mill company Zöld Forrás 2001 Ltd. is located in Hódmezővásárhely, Southern Hungary. The project proposal was approved for support in September 2019 and the mill received its operating license in April 2021, enabling the company to start producing and selling sorghum flour.

The mill was setup in an existing warehouse building which was redesigned and renovated. When selecting the

milling system, all existing technologies were tested before a decision was made. The system chosen, as it produced the best quality of flour, was based on traditional millstone milling technology produced by an Austrian company. The construction of the mill was carried out by a Hungarian contractor.

The trials took place in early 2021. During the processing of sorghum and the production of flour, it is particularly important to avoid other grains e.g. wheat, barley, to ensure the flour is completely gluten-free. Although the mill can process other raw materials only red and white sorghum will be processed in it to ensure purely gluten-free flour.

During the processing of sorghum seeds, it is possible to make three batches in one run. By changing the sieves, the grinding quality can be changed so that they can serve any need, i.e. the bakers need finer flour, or dough makers need less refined flour.

In addition to the supported activities, a new website is being developed. Additionally, the mill has been developing its own brand and this is expected to be completed by September 2021.



## Main results

The mill received its operating license in April 2021.

The mill does not rely to other producers for raw material. So, they manage the entire life cycle of the product. The beneficiary's father's farm produces high-quality sorghum, which they consider the most appropriate for the mill. This guarantees standard, high quality of flour for human consumption.

The development created three new jobs.

Due to the high interest by Hungarian companies (distributors, bakers, pasta and biscuit industries) in sorghum flour, in 2021, the area sown with sorghum will be three times larger than last year.

### Key lessons

The mill's development was successful because of the experience accumulated from decades of practical knowledge in the cultivation of sorghum grain.

Although the basics of the project were written in a rough format, they asked for help from a tender writer. This was key because it allowed the beneficiary to focus on other tasks in the meantime.

The evaluation of the application was a very long process; the application was submitted in 2016 and the decision was taken in 2020. Meanwhile, the exchange rate between the Euro and the Hungarian Forint changed and the prices increased. Thus, the costs specified in the original application were no longer realistic. The development was finally achieved thanks to the commitment of the applicant. A quicker evaluation process in the future, would help to mitigate changes which affect the relative costs and circumstances of a project.

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### Additional sources of information

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