

## HUNGARY

### Diversification & job creation

**Location**  
Patca

**Programming period**  
2014 – 2020

**Priority**  
P6 – Social inclusion & local  
development

**Measure**  
M08 – Investments in forest  
areas

**Funding**  
Total budget 354 200\* (EUR)  
EAFRD 141 680\* (EUR)  
National/Regional 35 420\*  
(EUR)  
Other 177 100\* (EUR)  
\* Sum of two projects

**Project duration**  
2018 to 2021

**Project promoter**  
Arbocus Forestry Producer and  
Service Trader Ltd.

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EAFRD-funded modernisation investment for a forestry company in south-western Hungary.

### Summary

Arbocus Forestry Producer, Service and Trading Ltd. implemented two rural development funded projects to acquire forestry machines. In the period 2017-2019, the company purchased one mobile loader and a tractor and in 2019-2021 the company acquired a harvester and a forwarder.



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### Project Results

The company's processing capacity has tripled, and the investment has created three new full-time jobs.

The company can now undertake large-scale services for state forests and respond to increasing demand across a larger area.

### Lessons & Recommendations

- ❑ Vocational training services need to respond faster to the changing labour needs of the forestry industry: where skilled machine operators are now needed rather than low-skilled manual labour.

## Context

Arbocus Ltd. is a forestry company founded in 2004 by András Zoltán Vasas. It provides a full range of forest management services for more than 900 ha of forest, mainly in the South Transdanubia region, Somogy county and a small part of Baranya County in Hungary.

Forest thinning accounts for 98% of the company's operations and clearcutting accounts for around 2%. The company then sells the timber to traders and sawmills. Due to increasing demand for both forest management services and timber – and with that, a growing need for labour - the company decided to acquire new equipment to significantly improve productivity.

## Objectives

The aims of the two investment projects supported by the Rural Development Programme were to modernize and restructure the forestry company, to increase its competitiveness and create new jobs.

## Activities

The modernisation of the company's equipment involved two separate applications for EAFRD support through the forestry measure. The company prepared both applications without external assistance given their experience in writing tenders for their services.

In the first project, the company purchased a mobile loader (September 2018) and a tractor (January 2019) in addition to accessories for processing logs and biomass.

The second application for EAFRD support financed the purchase of a multi-operation logging machine (January 2021), and a forwarder for transferring the harvested timber (December 2021).

## Main results

Thanks to the new machinery, the company's processing capacity has tripled. It has been able to respond to the increasing demand for forestry services.

The new machinery has accelerated the work process, so the company can perform forestry services over a larger area. It also means that it can undertake services for state forests: a volume of work that they would previously have been unable to manage. The investment has created three new full-time jobs and the increased volume of production and sales has significantly increased income .

## Key lessons

There is a great shortage of skilled labour in the forestry sector because, whereas low-skilled manual labour used to be sufficient, the operation of complex machinery is now required. The company needed to hire machine operators, but with so few skilled workers in the sector they have been unable to fill their vacancies. It is only very recently that Hungarian vocational schools have begun to provide such training, so hopefully the situation will improve.

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## Additional sources of information

<https://www.youtube.com/watch?v=xAltYpLM0bs>