

Lithuania

Farm's performance, restructuring & modernisation

Location

Vikonių village, Anykščiai

Programming period

2014 – 2020

Priority

P2 - Competitiveness

Measure

M04 – Investments in physical assets

Funding

Total budget 10 011 796.19 (EUR)
EAFRD 5 554 222.15 (EUR)
National/Regional 980 156.85 (EUR)
Private 502 546.00 (EUR)
Other (loan) 2 974 871.19

Project duration

2014 – 2017

Project promoter

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An EAFRD funded investment in high-tech greenhouse horticulture based on renewable energy.

Summary

A farmer specialising in greenhouse horticulture used investment support from the Lithuanian Rural Development Programme to build a modern glass greenhouse that could respond to the unmet demand for locally produced, high quality vegetables and at the same time create new job opportunities in an area affected by high unemployment. As part of this investment a bio-fuel boiler plant was constructed to reduce production costs and lessen the farm's dependence on fossil fuels.



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Project Results

The business produces 150 tons of high-quality cucumbers and tomatoes a week which are sold direct to restaurants or in the local market.

The business is the largest private employer in the district, providing work for some 170 people.

The new boiler operates on biofuel and wood chips which are about 30-40% cheaper than natural gas.

Lessons & Recommendations

- ❑ Smart agricultural/ horticultural investments can produce real win-win situations. In this case increased production and market value, employment and a very significant reduction in the use of non-renewable energy.
- ❑ Even so, the project holder considers that State support is necessary to ensure cheaper energy solutions for heating greenhouses.

Context

Audrius Juška specialises in greenhouse horticulture and in particular growing cucumbers and tomatoes. Audrius has been using winter greenhouses since 2005. Initially he used a 1.92 ha greenhouse and in 2013 he set up a second, covering 2.02 ha.

Considering that Lithuanian greenhouses collectively meet only a third of the country's demand for fresh cucumbers and tomatoes, the farmer decided to expand his production capacity further. Another factor to consider was that the Anykščiai district has a high unemployment rate compared to other districts, so the creation of job opportunities for local people was one of the business's priorities.

Objectives

The aims of this investment project were to increase the viability and competitiveness of the applicant's greenhouse horticulture farm by using renewable energy and creating job opportunities in an area of high unemployment.

Activities

Funds from the Lithuanian Rural Development Programme were used to build a modern glass greenhouse, covering 6.05 ha, and to modernise the equipment of the farmer's first greenhouse of 1.92 ha. Thus bringing the total area under glass to nearly 8 ha.

As part of the investment a 6 MW biofuel boiler house was constructed and a sewage treatment plant and borehole installed, in addition to climate systems and more storage areas. Other equipment purchased included two forklifts, a sprayer, a vehicle with refrigeration, a tractor, scales (13 pcs.), trolleys (30 pcs.) and a refrigerator.

Main results

As a result of the investments, the business now produces 150 tons of high-quality cucumbers and tomatoes a week which are sold direct to restaurants or in the local market.

The business has become the largest private employer in the district, providing work for some 170 people.

The greenhouses are heated by an innovative bio-fuel boiler plant which would be capable of heating the entire town of Anykščiai. This was the first biofuel boiler set up in Lithuania for agricultural purposes. The system has a storage capacity of 160 m³ which is used to accumulate heat energy during the day when the need within the greenhouses is at a minimum, and this is then available for use when the energy needs are high. The biofuel and wood chips which the boiler operates on are 30-40% cheaper than natural gas.

Key lessons

Smart agricultural/ horticultural investments can produce real win-win situations. In this case increased production and market value, employment and a very significant reduction in the use of non-renewable energy.

According to the Lithuanian Institute of Agrarian Economics, energy accounts for about 60% of typical greenhouse production costs, so ways of managing these costs is vital – especially in the current geopolitical situation.

"One hectare of greenhouses creates 100 times more value than field crops." Audrius Juška