

CZECH REPUBLIC

Diversify the rural economy

Location

Varnsdorf

Programming period

2017 - 2013

Axis / Priority

Axis 3 – Quality of life in rural areas and diversification of the rural economy

Measure

M313 - Encouragement of tourism activities

Funding (EUR)

Total budget 69 931

EAFRD 23 310

National/regional 5 828

Private 40 793

Project duration

2010 – 2013

Project promoter

Pivovar Kocour Varnsdorf
s.r.o.

Contact

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Website

www.pivovar-kocour.cz/en/the-brewery

Support from the Czech RDP helped a successful brewery established in an abandoned pottery factory, to start expanding the range of services it offered to visitors.

Summary

'Kocour Brewery' is a small local business operating in a former ceramics factory that began out of the interest of a small group of young enthusiasts to brew their own beer.

The growing numbers of visitors encouraged the owners to seek RDP funding to invest in the construction of two bedrooms and a new kitchen. This aimed to add additional revenue

streams and help to keep visitors in the area for longer. This sought to increase the profitability of the brewery business as well as providing an important boost to the local economy.



Results

The project created two double bedrooms with associated accessories that enabled the brewery to host overnight paying guests.

It also built a kitchen and refurbished the restaurant that allowed the brewery to expand its catering services and gain additional income.

By offering more services and keeping visitors for longer, the brewery makes a valuable contribution to the local economy.

The project also improved the visual appearance of the area by renovating the brownfield site.

The initial investment increased the confidence of the business which has since invested in further infrastructure improvements and additional activities.

Lessons & Recommendations

- ❑ With creative thinking, many rural businesses can generate additional revenue streams alongside their core activity.
- ❑ Restoration/renovation of abandoned factories and other brownfield sites offer attractive spaces for modern rural businesses and a way to greatly improve the attractiveness of an area.
- ❑ The project is a good example of the multiplier effect of initial RDP support .

Context

'Kocour Brewery' is a small local business that began out of the interest of a small group of young enthusiasts to brew their own beer. They engaged with the local people and were able to set up the brewery in an abandoned former ceramics factory.

The brewery produces 14 different types of beer and has become very popular among local people and tourists. The growing numbers of visitors to the brewery encouraged the owners to think about expanding the activities and services offered.

Objectives

The project aimed to establish catering and accommodation services at the brewery. This sought to keep visitors at the brewery for longer and provide additional revenue streams. The main target group was tourists travelling around the Luzice regions on the Czech-German border.

The project beneficiaries developed a medium-term business plan and applied to the LAG Czech North (Český sever) for small-scale investment support. A local business consultant provided support to the application.

Activities

Once the brewery was awarded the investment grant, a detailed implementation plan was elaborated. The selection of the construction company and the suppliers of the equipment followed.

The project constructed two double bedrooms and a kitchen at one end of the former ceramics factory where they are close to the tanks of the mini-brewery and the bar.

The project was completed in three years after the first intentions were agreed and two years after receiving the notification from the paying agency (the State Agricultural Intervention Fund) that the project was selected for financing. It lasted a bit longer than similar projects due to challenges of renovating the old factory.

Main results

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The project also improved the visual appearance of the area by renovating the brownfield site.

The infrastructure enhancements have established a solid base for further development of the business. Fourteen additional rooms have been constructed since the project ended and ongoing restoration and improvements to the factory building are taking place. There are now plans for the construction of a multifunctional hall for wedding parties, music festivals and other cultural events.

Key lessons

With creative thinking, many rural businesses can generate additional revenue streams alongside their core activity.

Restoration/renovation of abandoned factories and other brownfield sites offer attractive spaces for modern rural businesses and a way to greatly improve the attractiveness of an area.

The project is a good example of the multiplier effect of initial RDP support because the initial investment has built the confidence of the business to carry out even more complementary activities (e.g. brewery T-shirts & local food products under the same label).

Additional sources of information

n/a