

ROMANIA

Farms performing, restructuring & modernisation

Location

Pojejena

Programming period

2014 – 2020

Priority

P2 – Competitiveness

Measure

M6 – Farm & business development

Funding (EUR)

RDP support 40 000
EAFRD 37 432
National/Regional 2 568

Project duration

2015 – 2018

Project promoter

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Turning a subsistence family farm into a dynamic agri-business through modernization and adoption of affordable new equipment.

Summary

Rusimovici farm is located in Belobreșca village (Pojejena commune). Before this investment, the Rusimovici family farm was a subsistence as production was not sufficient to make the farm commercially viable. Investment support was used to improve the farm's competitiveness through modernisation and adoption of affordable new equipment.



The financial support was used to set up three greenhouses of 300 square metres each; install a water drill for irrigation and acquire machinery and equipment for vegetable production.

Results

By building/using greenhouse/solarium modules, the duration of production was extended from four months per year to 10-11 months.

Before the project, the farm cultivated two ha of potatoes, obtaining a production of 35-40tonnes/two ha. By investing in quality seeds, irrigation and crop rotation, production increased significantly. One ha now produces the same volume of potatoes that was previously generated by two ha.

Sales increased by over 80% during the first year of the investment compared to the period before the project.

Lessons & Recommendations

- ❑ One of the main problems that expanding farm holdings face is difficulty buying or leasing additional land.
- ❑ The level of the farmers' technical knowledge plays a key role on their capacity to successfully expand their holding.

Context

The Rusimovici farm is located in Belobreșca village (Pojejena commune), an area known for its wine production during the 1980s until the revolution of 1989. Before this project, the Rusimovici family farm was practising subsistence farming. Production was not sufficient to make the farm commercially viable. Also, due to the lack of irrigation, the production was also of low quality. Furthermore, at that time competition was high as both the farm and its competitors were producing the same vegetables. Through the years the farm also suffered due to changes in demand at the vegetable market in the neighbouring city of Moldova Nouă, which is the farm's main market. Some investments had been made in the farm, but not to the extent necessary, due to insufficient capital. Banks were reticent about granting credit to small agricultural businesses.

Objectives

The main objective of this investment was to improve the farm's competitiveness through modernisation and the purchase of affordable new equipment for developing the farm.

Activities

Market research was performed over a period of six years prior to submitting the project, in order to determine the types of vegetables which are frequently consumed during each season.

Financial support was used to set up three greenhouses of 300 square metres each; install a water drill for irrigation and acquire machinery and equipment for vegetable production. The irrigation system uses drip hoses so less water is consumed. Less electricity is used as the water-pump is now only used once every 14 days to refill the two 30 000 litre irrigation tanks.

Mulching films are used for covering the crops. This helps to avoid using herbicides to eliminate weeds. It also helps to ensure the soil stays moist, by preventing evaporation as the drip hoses are placed under the film.

Previously, production was focussed on the increasing demand for early and summer potatoes. At that time the farmer was planting up to 6 ha of potatoes, approx. 10 000 tomato plants and 12 000 pepper plants. Overtime, as demand decreased in Moldova Nouă, the 6 ha for growing potatoes decreased to 3 ha and then just 1 ha. The tomatoes production decreased from 10 000

plants to just 1 000 and the production of peppers was completely abandoned.

Before submitting the project the farmer cultivated 22 t/ha of potatoes, 2 t/1000 threads of tomatoes, 18 t/ha cabbage, 1.5 ha vegetables and 0.8 ha wheat. After the project started, the structure of production changed to 40 t/ha of potatoes, 4.5 t/1000 threads tomatoes, 44 t/ha cabbage, 3 ha of vegetables and 0.1 ha of covered greenhouses.



Main results

Before the project, the farm cultivated 2 ha of potatoes, obtaining a production of 35-40t/two ha. After the project, due to investments in quality seeds, irrigation and crop rotation, production increased significantly. Now one ha of potatoes produces the volume of potatoes that was previously generated by two ha.

Once the project received financing, the farm started to promote and sell their products online. In 2018, the farm cultivated two ha of potatoes and had 6 000 tomato vines, 10 000 pepper plants, one ha cabbage, 1 000 sqm salad and scallion in solarium cycle one and 2 500 tomato vines cultivated in solarium cycle two.

The products are delivered fresh, on the same day, to meet demand so there is no waste of the final products or raw material.

In 2019 the project holder aims to double the area cultivated following the increase in demand.

By building/using greenhouse/solarium modules, the farm's yearly production period was extended from four months to 10-11 months.

Sales of products increased over 80% during the first year of the investment compared to the period before the project.

The farm is planning further investments in technology and equipment, as well as setting up a farmers' cooperative aimed at establishing a local brand.

Due to online promotion, the farm's products are now sold in other areas around Moldova Nouă, like Berzasca, Liubcova, Coronini.

In future, the project holder aims to double the greenhouse area, increase production and build a processing unit for agricultural products. By building such a processing unit, the farm will diversify its products range (including producing vacuum packed sauerkraut) and create at least 10 new jobs. This unit will process products from both the Rusimovci farm and other local producers.

In order to ensure sustainable production all through the year and achieve scale economies in the different works (e.g. seeding) there are ongoing talks with farmers within area, to establish a cooperative. This will allow them to combine their efforts in order to provide quality and

healthy products to consumers.

Raico's project has been nominated as a good practice for the RDP Regional Conference in the West Region.

Key lessons

One of the main problems that expanding farm holdings face is the difficulty in buying or leasing additional land.

Support to encourage young farmers to develop dynamic businesses in rural areas is essential.

The project is transferrable but may require technical training and/or advice for farmers on how to expand their holding and how to produce crops in greenhouses.

"First we have to start from knowledge: I graduated the Faculty of Agronomy - horticulture at Timișoara, and after returning to my village, I understood that as long as vegetables are of quality, the vegetable sector is the most lucrative. This is our secret: the quality of vegetables... We produce as much as we can sell. Also, the price differs from that of the big cities, where it is known that the price is higher. Here, depending on the economy of the area and the financial capacity of the buyer, we adjust the price to help consumers obtain the desired amount and sell the production"

Raico Rusimovici



Additional sources of information

www.radiotimisoara.ro/2018/06/11/povestea-agronomului-din-banat-care-a-pus-pe-picioare-o-afacere-cu-legume-pe-malul-dunarii/