

SLOVENIA

Farm's performance, restructuring & modernisation

Location

Šoštanj

Programming period

2014 – 2020

Priority

P2 – Competitiveness

Measure

M4 – Investments in physical
assets

Funding (EUR)

Total budget 247 205

EAFRD 55 068

National/Regional 18 356

Private 173 781

Project duration

2017 – 2019

Project promoter

Šalek Valley Agricultural
Cooperative

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An agricultural cooperative invested in setting up organic apple orchards with anti-hail nets. They also acquired agricultural machinery to support the production of organic beef.

Summary

The Šalek Valley Agricultural Cooperative focuses on producing high-quality beef and fruit. It has developed two brands: 'Ekodar' for its organic beef, and 'Slodar' for various apple products.



Agricultural
Cooperative
Šaleška Dolina

The cooperative applied for RDP support to plant new organic orchards and to set up a hail protection system for its orchards. It also used RDP support to purchase new agricultural machinery - a baler and a wrapper - that will be used by its organic beef-producing members.

Results

The cooperative has increased its turnover by 19% (2017 versus 2016).

The cooperative has increased organic beef production by 28%.

It supplies over 100 public institutions with its products.

Context

The Šalek Valley Agricultural Cooperative focuses on producing high quality meat and fruit. In 2009, it launched the “Ekodar” label for its organic beef. Around 70 producers/farmers in the area are using the label. The meat is available in large retailers, organic shops, two other agricultural cooperatives and online. Deliveries are made in cities throughout Slovenia. The marketing and distribution is done via the central umbrella of the Šaleška Valley Agricultural Cooperative - the owner of the brand.

“Ekodar” products feature a QR code, which allows consumers to trace the origins of the meat. By using a smart phone to scan the QR code on the packaging, consumers can know the farm’s location, its size, and the size of the cattle herd. More recently, the cooperative has invested in a new system, the so-called ‘Origin Trail’, which is supported by the blockchain technology. The new system allows indelible traceability and is the answer to growing threats of counterfeiting and unfair practices.



Since 2010, the cooperative has been creating apple products - including sliced apples, apple chips and pure apple juice - under the brand name “Slodar”.

It has also established a social enterprise named ‘Zavod darilo narave’ (Gift of Nature Institute), which employs people with special needs. It is the first cooperative in Slovenia to establish such an enterprise.

The Šalek Valley Agricultural Cooperative collaborates with over 700 farms and has almost 340 members. Its operations were expanded to the Upper Savinja Valley whose own cooperative went bankrupt. The cooperative runs two shops in the area (Nazarje and Luče), where around 35% of all turnover is made.

Objectives

By setting up organic apple orchards, the cooperative wanted to provide healthy products, either as fresh fruit, or high-quality processed goods. This meant planting new

organic orchards and setting up anti-hail nets covering 3 ha of its orchards.

It also aimed to purchase new agricultural machinery - a baler and a wrapper - that will be used by its organic beef-producing members.

Activities

Setting up of organic apple orchards, purchasing and setting up of anti-hail nets

The investment involved establishing new plantations for the production of certified high-quality organic apples. New varieties of apple trees were used. In order to protect the crop from weather disturbances, anti-hail nets were set up. Measure 4.1 of the RDP financed the construction works; the costs of planting and taking care of the new trees for the first year; certifying the orchard as organic; and installing the anti-hail nets.

In order to get the application for the organic apple orchard approved, firstly it was necessary to prepare the land for organic farming. This meant planting sunflowers as a green fertiliser, ploughing the soil and applying organic fertilisers.

The new 3 ha orchard has been planted and the hail nets will be fully installed by the end of 2019.

In 2018, the cooperative completed the setting up of hail protection in the old orchards (6 ha), and received approval from the RDP managing authority to set up hail nets over a further 4 ha.

Manure from the cooperative’s cattle has been used to help prepare the soil in the orchard. Later on, specialised organic fertilisers will be used, including bio-stimulants that increase microbiological activity in soil. Early tests show that earthworms are found three to four times deeper than in soil treated with conventional fertilisers. This improves soil aeration and conditions for the root system of the apple trees.

Purchase of agricultural machinery to boost the competitiveness of the cooperative

The cooperative also invested in the purchase of agricultural machinery to improve the competitiveness of its organic beef. Acquiring a new baler means it no longer has to hire external subcontractors to carry out baling. RDP support also helped it to replace worn-out parts on a mower.

Main results

The Šalek Valley Agricultural Cooperative has 12 business units. By the end of 2017, the cooperative made EUR 8 367 of net profit from regular activities.

The organic plantations of apple trees created additional income, as the apples have a higher selling price. However, the results will be more visible when the plantations will reach their full production capacity in two to three years.

Production costs for beef were reduced.

The investments are paying off, bringing the cooperative a greater share in new markets. Turnover was EUR 7.2 million in 2017, 19% more than in 2016. The cooperative's organic red meat production grew by 28%.

The cooperative supplies over 100 public institutions. Non-organic apples from the older orchards are sold to schools, kindergartens and homes for the elderly. Organic

apple products are provided to the Celje hospital in the form of apple porridge, fries, juices and pre-cut apples for ease-of-use.

Organic fruit production produces top-quality fruit, by using organic fertilisers and specialised plant protection products in a controlled and economically acceptable manner. This helps to preserve and in many cases, re-establish biodiversity.

The cooperative established a social enterprise named 'Zavod darilo narave' (Gift of Nature Institute), which employs people with special needs. It is the first cooperative in Slovenia to establish such an enterprise. Four workers with disabilities prepare and package exclusively organic produce.

In 2018, the cooperative introduced a loyalty card. This enables its members to purchase goods at a discount.



Additional sources of information

http://projects.au.dk/fileadmin/projects/healthygrowth/Fact_Sheets/Factsheet_Slovenia_Ekodar.pdf

<http://ekodar.si/>

www.facebook.com/slodar/

www.youtube.com/watch?v=HJHG5_eQayE