

## SLOVENIA

Farm's performance,  
restructure &  
modernisation /  
Diversification & job  
creation

**Location**  
Mežica

**Programming period**  
2014 – 2020

**Priority**  
P2 – Competitiveness / P6 –  
Social inclusion & local  
development

**Measure**  
M04 – Investments in  
physical assets  
M08 Investments in forest  
areas

**Funding (EUR)\***  
Total budget 148 506  
EAFRD 57 784  
National/Regional 19 626  
Private 71 460

**Project duration\***  
2016 – 2020

**Project promoter**  
Gregor Potočnik

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**Website**  
n/a

\* Two RDP funded projects

## CAP funds for a young farmer support rural revitalisation in the Slovenian mountains

### Summary

A Slovenian young farmer and forester from an area with natural constraints used CAP support for generational renewal and rural development purposes to take over the running of his family farm and expand its economic prosperity. The success of his business modernisation activities created employment, strengthened local value chains, and provided circular economy outcomes.



### Results

- CAP funding helped to create employment for two members of the family farm business.
- New equipment increased timber processing outputs to 1000 m<sup>3</sup> annually and improved the efficiency of animal husbandry.
- Local value chains for timber products were strengthened through the farm's cooperation with new clients.

### Lessons & Recommendations

- ❑ CAP funding supporting young farmers can create multiple benefits for rural revitalisation.
- ❑ Agricultural advisory services can play key value-added roles during preparation and implementation of farm modernisation projects.

	M6.1	M8.6
<b>Total project budget</b>	50 766	97 740
<b>Rural Development Programme support</b>	45 000	32 046
EAFRD (EU) contribution	33 750	24 034
National / Regional contribution	11 250	8 012
<b>Private / Own funds</b>	5 766	65 694
Duration	2016-2020	2019-2020

## A young farmer modernised his family's farm located in a remote mountainous area.

### Context

Gregor Potočnik took over his family's farm after finishing his forestry engineering studies. The farm is in the Meža valley in the Koroška region of Slovenia, at 875 m altitude in the Alps. Its size is 47 ha, of which 35 ha is forest and 12 ha is agricultural land. It is larger than the average Slovenian farm. The main economic activities are suckler cow breeding and timber processing.

### Objective

CAP support was provided for generational renewal and rural development purposes to help Gregor start-up in business and invest in his family's farm to support its diversified competitiveness through modernisation of the timber and livestock activities.

### Activities

Gregor developed a modernisation plan for the farm to improve its competitiveness through investing in new equipment that could help him operate more effectively and offer business expansion opportunities.

The young farmer implemented two CAP funded projects to modernise his farm.

In 2016 Gregor received start-up aid to purchase a 65-74 KW universal tractor and mower for mountainous terrains along with a tandem tipping trailer with a carrying capacity of 8.2 tonnes. He also bought a computer and a camera for administrative and monitoring uses.

In 2020 he was awarded investment support to upgrade his timber processing service by acquiring a circular saw machine and horizontal band saw providing capacity to process up to 3.15 m<sup>3</sup>/hr.

### Main results

This combination of CAP funding has resulted in:

- Improved economic stability for the family farm's long-term prosperity and economic growth potential thereby contributing to the revitalisation of its rural neighbourhood.

- Creation and safeguarding of employment for the young farmer and his partner.
- Increased family farm income from an expansion of timber processing outputs to approximately 1000 m<sup>3</sup> of wood annually.
- Securing access to, and strengthening local value chains via new business cooperation with new clients including a local timber packaging firm and construction company. These regular orders provide income stability and business development security for the family farm as well as consistency of supplies for local firms in the value chain.
- Circular economy benefits from reuse of timber residues to produce wood chips for sale to local customers and as a source of renewable energy for the farm.

### Key lessons

- The two projects highlight how CAP funding can support generational renewal and rural revitalisation by helping create new employment opportunities via improving the economic potential of a farm in an area of natural constraints (high-mountain farming).
- Agricultural advisory services can play key roles in the preparation and implementation of farm modernisation projects. An agricultural advisor supported Gregor with strategic decision-making and provided guidance during his business planning, funding applications, and farm development activities.



*"I am happy with decisions made and results of the project. It helped me and my family secure a job and a stable income from farm activities. I believe one needs to love what he/she is doing and be ready to work longer hours".*

Gregor Potočnik, beneficiary

### Additional sources of information

n/a