

SLOVAKIA

Improving competitiveness of primary producers by better integrating them into the agri-food chain

Location

Kolárovo

Programming period

2014 – 2020

Priority

P3 – Food Chain

Organisation and Risk Management

Measure

M4.2 Support for investments in process/marketing and/or development of agricultural products

Funding (EUR)

Total budget 585 425.03

EAFRD 197 580.94

National/regional 65 860.32

Private 321 983.77

Project duration

2016 – 2017

Project promoter

LEBECO s.r.o.

Contact

levai@lebeco.sk

Website

www.lebeco.sk

A bakery company producing high quality traditional bakery products used support from the rural development programme to modernise and expand its production capacity.

Summary

A bakery company employing nearly 80 employees and offering quality fresh handmade bakery products, based on traditional recipes, needed to increase its production and develop new products.



Support from the rural development programme was used to extend the existing bakery production hall. A new bakery hall was built and 12 types of new machines and equipment were procured such as a rotary bakery oven, a flour silo, a dough roller, a cooling box, professional digital scales, a cooling working table, spiral dough mixers, dishwasher equipment, a heat exchanger, a cyclothermic oven, electric band, etc.

Results

- extended the production hall from 750 to 1330 m²;
- increased speed of handling either material or ready products;
- increased workplace safety;
- created 4 new jobs;
- increased turnover by 20%.

Lessons & Recommendations

- ❑ Implementing a project may involve an extreme administration burden for which the beneficiary has to be prepared.
- ❑ Multiple checking of the individual steps during the preparation, approval and implementation of the project (application form, public procurement procedures, requests for payment, project changes etc.) often causes significant delays in payments and thus the beneficiary has to be financially capable to deal with those delays.

Context

The LEBECO bakery was established in 1993. It employs nearly 80 employees and its main goal is to meet the needs of customers with quality fresh and especially delicious bakery products. Exclusively handmade bakery is distributed to LEBECO's own network of bakeries. Bakery products are produced based on traditional recipes from quality ingredients without chemical additives and preservatives. This kind of products can very rarely be competed by the cheap bakery products sold in supermarkets which are of significantly lower quality.

The project was needed because demand for the LEBECO products was constantly increasing. In order to be able to compete with the supermarkets and to be able to supply their own bakeries network, it was necessary not only to increase production, but to develop and produce new bakery products. At a certain point the company had reached the maximum in its production capacity and therefore enlarging the old hall was the only solution. Alongside of enlarging the production hall, dispatching and storage facilities, new equipment and technologies were needed to modernize the production in order to offer products of maximum freshness and improved tasting qualities.

Objectives

The main objective of this project was to increase the competitiveness of LEBECO s.r.o. through the application of new technologies and innovations in bakery production as well as modernization and innovation of the company's technological equipment.

Specific objectives were:

- to introduce innovative technological processes into the manufacturing;
- to extend the existing bakery production hall;
- to reduce maintenance costs for repairing old machinery and equipment and improving working conditions;
- to improve production quality;
- to introduce new bakery products based on traditional recipes in response to market needs;
- to increase production efficiency;
- to increase employment in the region.

Activities

The implementation of the project began with the construction of the LEBECO bakery hall in July, 2016. The construction works were carried out within a contractual

deadline of 4 months, completed in November 2016 with the final building approval.

New equipment was purchased including a rotary bakery oven, a flour silo, a dough roller, a cooling box, professional digital scales, a cooling working table, spiral dough mixers, dishwasher equipment, a heat exchanger, a cyclothermic oven, electric band, etc. The procurement process took place between August 2016 and January 2017.

As the project implementation involved a significant administration procedure, two consulting companies and an accounting company were engaged. These external companies were responsible for the public procurement procedures, monitoring the project implementation at every level, elaboration of reports, continuous checking of all papers, supply of work and equipment, etc.



Main Results

- extended the production hall from 750 to 1330 m²;
- modernization of the production thanks to the new equipment;
- increased speed of handling either material or ready products;
- increased safety at the workplace,
- improved working conditions for employees in the production, administration and distribution departments, improved social spaces for the employees;
- 4 new jobs were created;
- increased sales - 20% higher turnover.

Key lessons

Project implementation may involve an extreme administration burden for which the beneficiary has to be prepared.

Multiple checking of the individual steps during the preparation, approval and implementation of the project (application form, public procurement procedures, requests for payment, project changes etc.) often causes significant delays in payments and thus the beneficiary has to be financially capable to deal with those delays.