

SLOVAKIA

Farm's performance, restructuring and modernisation

Location

Hurbanovo

Programming period

2014 – 2020

Priority

P2 – Competitiveness

Measure

M04 – Investments in
physical assets

Funding (EUR)

Total budget 50 000
EAFRD 15 000
National/Regional 5 000
Private 30 000

Project duration

2016 – 2018

Project promoter

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Contact

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Website

n/a

A small potato-growing farm used RDP support to purchase a new processing line to enhance its economic performance.

Summary

Mr Pastorek, a small potato producer in Slovakia, used RDP support to improve the competitiveness and processing capacity of his farm. The project financed the replacement of an old and outdated processing line for potatoes with a new one to improve the processing of freshly harvested potatoes. The purchase included conveyors and automatic weighing and packaging machines.



Results

The investment led to an increased volume of processed potatoes and improved quality. Around 24 tonnes of potatoes can be processed in 8-9 hours compared to 13-14 hours in the past and the new machines can be better controlled offering time savings.

A lack of processing capacity led to downsizing of the farm from 10 ha to 8 ha, but thanks to the modernising effort more than 10 ha can now be cultivated.

Currently the potatoes are processed and packaged according to the strict criteria of the distributors and can be distributed to a higher number of Slovak and Czech shop networks.

The farm is planning to create one permanent job.

Lessons & Recommendations

- ❑ The process of evaluating a project application in Slovakia is extremely long and prices can significant change over this time period. However, there was no possibility to update the price indicated in the project application.
- ❑ It is necessary to be ready for the enormous bureaucratic burden, repeated duplicate submission of documents, repeated multiple filling of the same data and overall uncertainty during whole project implementation.

Context

Potatoes are one of the most important food crops in the world. In Slovakia, potatoes are so popular that people regard them as a second type of bread. However, farmers growing potatoes in Slovakia have to compete with the lower prices of larger foreign retailers. In 2017, only 54% of potatoes sold in retail chains were produced in Slovakia.

Mr Pastorek is a self-employed farmer growing potatoes on 10 ha. He had limited access to the agro-food chain in the region, as he did not fulfil the criteria for packaging and labelling the potatoes. His farm used an outdated processing line with components that lacked interconnection. He was ill-equipped to process higher volumes of production in years with high yields. The processing was not automated (lacking conveyors and other necessary components), which made continuous processing difficult to guarantee. The processing line, due to its age and use, frequently damaged the potatoes rendering them unfit for packing. Furthermore, the sorting mechanism was not capable of selecting a wide range of sizes.

Objectives

The objectives of this project were to:

- Increase the volume of processed potatoes and their quality and thus improve the economic performance of a small-scale farmer;
- Modernise a small farm and increase its market share; and
- Improve the competitiveness of a primary producer through his better integration into the agro-food chain.

Activities

RDP support was used by the beneficiary to purchase a new potato processing line. The investment included the purchase of conveyors, shredders, packaging line, scales, labelling machine and additional equipment as well as training the staff to use it.

Main results

- The investment led to an increased volume of processed potatoes and their improved quality. In this way it improved the economic performance of the small farmer. Around 24 tonnes of potatoes can be

processed within 8-9 hours compared to 13-14 hours in the past, while the new machines can be better controlled offering time savings;

- The modernised farm is better able to increase its market share. A lack of processing capacity had led to the reduction of farmed land from 10 ha to only 8 ha. Thanks to the modernisation, more than 10 ha will be cultivated in next years,
- The farm has become more competitive due to the higher quality of the product. Now the potatoes are processed and packaged according to the strict criteria of the distributors and can be distributed to a greater number of Slovak and Czech shop networks;
- The farm is planning to create one new permanent job.



Key lessons

The process of evaluating a project application in Slovakia is extremely long and there are significant price changes throughout this time period. The project was submitted in 2015 and the cost of the processing line was estimated in 2015. Given the length of the evaluation itself (almost 2 years) and the significant increase in the price level, the beneficiaries considered that they would not be able to realize the project at all. Between 2015 and 2018, there was almost a 20% increase in prices, but there was no possibility to update the price indicated in the project application.

It is also necessary to be ready for the enormous bureaucratic burden, repeated duplicate submission of documents, repeated multiple filling of the same data and overall uncertainty during whole project implementation. There can be inconsistencies in the decision making, repeated controls with different results, inconsistent approaches from responsible officers and different understanding of given methodology and implementation rules.