

# Purchase of fixed assets and cattle for the development of meat breeding in the hilly riverbanks of Abava

Embarking on a beef cattle farming project while creating employment, becoming an organic farm, and integrating family members - a farm's strategic path to optimisation.

## EAFRD-funded projects

**Location:** Avotiņi, Kandavas pagasts, Latvia

**Programming period:** 2014-2020

**Priority:** P2 - Competitiveness

**Focus Area:** Entry of skilled/younger farmers

**Measures:** M06 - Farm & business development

**Funding:** RDP contribution: 40 000 (EUR)

EAFRD: 27 200 (EUR)

National/Regional: 12 800 (EUR)

**Timeframe:** 10/2016 - 12/2020

**Project promoter:** Kalnavoti

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## Summary

When a sister and brother inherited land in Kalnavoti, Latvia, they decided to launch a farming enterprise jointly. In 2014, they embarked on a strategic beef cattle farming project aimed at optimising economic efficiency through the utilisation of natural meadows and arable land. Having followed an education and training course in farming, the sister took the lead in developing the farm. Investment was needed for relevant equipment and cattle to pursue a strategic plan for business growth. The project primarily aimed to increase the size of the herd, and to furnish the farm with the necessary equipment for fodder production as part of their systematically optimised business model.

## Project results

- The farm has achieved significant expansion of its operational scale, with an annual increase of at least 30% in net turnover compared to the preceding year.
- There is now full-time employment on the farm, whereas before the project began there was no full-time workforce.
- From a herd of ten, the business has increased its herd to 200 beef cattle in 2023. The farm owners have systematically optimised their business model, raising 92 heifers by the end of the project.

## Key lessons and recommendations

Be bold when expressing a commitment to professional development. The generational renewal within the family farm incorporated plans for formal education and training, signifying a strategic approach to succession planning and the future stewardship of the business.



## Context

A sister and brother in Latvia started a joint entrepreneurial endeavour when they inherited a tract of land from their mother in 2014. The land is characterised by hilly riverbanks along the Abava coast, and is designated as high nature-value grassland. Recognising the land's potential for agricultural use, Inuta Rozenberga embarked on a formal education programme in farming at college level, after which she assumed responsibility for the financial, administrative, and various operational tasks on the farm.

At the outset, the siblings conducted a thorough assessment of their holding, including a visit to a neighbouring farm specialising in beef cattle. Similar to other young farmers, Inuta and her brother sought to pursue business growth by developing their farm as part of an accelerated business development plan. This, however, required the acquisition of essential start-up capital. As a first step, they embarked on exploring the feasibility of their business ideas to identify the various development options and to understand clearly the constraints vis-à-vis their available resources and capabilities.

When they decided to opt for raising cattle for the meat breeding industry, they required financial support to purchase fixed assets, machinery, and cattle to start the development. Although the farm owners have not accessed EU funds before, their application was successful.



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## Objectives

The goal of the project was to improve the competitiveness of the farm in the meat-breeding industry, increase its labour productivity, and improve farm efficiency. Over the short-term, the farm aimed to purchase machinery for fodder preparation in order to increase the quality of fodder. In addition, it was important to increase the quality herd by purchasing Charolais purebred heifers.

Over the longer term, the aims are to (a) further complete the technical equipment on the farm for preparing fodder, starting with the preparation of silage to ensure a complete feeding process of the cattle and (b) continuing with the expansion of the herd with the purchase of more purebred Charolais heifers.

## Activities

Project activities included:

- Purchasing a total of twenty one- to two-year-old purebred Charolais heifers.
- Acquiring a tractor to facilitate the operation of agricultural aggregates. The baler ensures the baling of hay into bales and the tractor trailer is used for the transportation of hay bales. The purchase of a rotary mower, hay rake and bale wrapper ensured that a fully-fledged fodder production process could be put in place.

## Main results

The farm has achieved significant expansion of its operational scale, with an annual increase of at least 30% in net turnover compared to the preceding year.

There is now full-time employment on the farm, whereas before the project started there was no full-time workforce.

From a herd of ten, the business has increased its herd to 200 beef cattle in 2023. The farm owners have systematically optimised their business model, now raising 92 heifers. By early 2024, the aim is to have increased this number further to 100 heifers, in line with the optimal utilisation of the available land and human resources on the farm.

At the beginning, the farm encompassed 16 hectares of land. This has now increased to a total of 50 hectares, much of which is designated as high nature value grassland, primarily used as pastures. Other portions of the farm's land are dedicated to the cultivation of food crops for the cattle. In addition, 300 hectares are used through lease agreements in the surrounding region.



A key aspect of the farm's operations involves the sale of seven to eight months old beef cattle through auctions, while selectively retaining productive heifers for further breeding purposes. Cull cows, in turn, are exported as part of the farm's strategic market approach.



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## Key lessons and recommendations

- Pursuing a proactive approach is essential. This should involve identifying the most sustainable options of a number of diverse entrepreneurial ventures, including the consideration of factors such as land, economic viability, and personal preferences. In the case of Kalnavoti, development ideas have encompassed activities ranging from sheep breeding and milking cows to cultivating various grains. The exploratory process has shown that beef cattle farming aligned best with the proprietor's vision.
- It is recommended to focus on robust financial performance to achieve consistent and substantial annual growth. The growth trajectory of the farm has not only facilitated the creation of employment opportunities, but has also seen the integration of additional family members into the workforce.
- Be bold when expressing a commitment to professional development. The generational renewal within the family farm incorporated plans for formal education and training, signifying a strategic approach to succession planning and the future stewardship of the business.