

CZECH REPUBLIC – VYSOCINA

Organic Slaughter-house in Sasov

This case study described is as an example of an activity that can potentially positively affect durable linkages between agriculture and other sectors in the rural economy. More specifically, this investment project can potentially result in more effective use of agricultural resources, an improvement of links between producer and consumer, an increase of local value-added, a generation of local jobs and can contribute to promotion of bio-production.

1. Project details

Nature of the project

Purpose: To build a modern slaughter-house to reduce a stress of animals on the farm in compliance with animal welfare.

Content: Building and equipment (the slaughter-house capacity is 10.000 pigs or 2.000 beef-cattle per year)

Inspiration: The investor thinks of breeding quality and its welfare as the highest priority. To eliminate stress he decided to establish own slaughter-house on his farm.

Policy coherence: The project is coherent with strategic aims of the rural development policy (only on the national level), especially the aims to promote organic agriculture, utilize local agricultural production and increase links between primary production and processing.

Links between agriculture and the rest of the economy

Main agricultural sub-sectors involved: Farm animal breeding (especially pigs and beef-cattle) is the main agricultural sub-sector involved. Other economic sectors involved include mainly processing, trade and transport.

Description of these links: Backward linkages include buying local pigs and beef-cattle in a proportion of 20% of total production of meat products. 50% of the slaughter-house capacity is available for slaughter of pigs and beef-cattle of other local farmers.

Forward linkages concentrate mainly on sales of bio-meat and bio-meat products (the farms has its own processing manufactory and cold storage facility) in super-markets in big cities in the Czech Republic, in local shops in Vysocina Region and in restaurants in the Czech Republic. Small part of the production is sold directly on the farm.

The indirect effect relates to indirect promotion of bio-products produced under the ecological agriculture.

Scale of the project

Size: Small/medium sized unit

Time scale: June 2008 – December 2009

Coverage: Regional coverage (Vysocina Region)

Beneficiaries and supporters

Beneficiary: The owner.

Supporters: The private agency was hired to prepare investment proposal to be in compliance with legislative requirements concerning organic agriculture.

Finance

Funding:

- a) own financing: total cost of 482,000 EUR
- b) Rural Development Programme for the Czech Republic, Axis I, Priority I.1: total cost of 260,000 EUR

Budget: 742,000 EUR, in 1.5 year

Results

Direct results: Results are very positive and meet the owner's business expectation. Despite the economic crisis, an interest in utilisation of the slaughter-house by other farmers has been increasing as well as a bio-meat demand.

Main target: Community at large, farmers

Wider benefits: This is the first bio-slaughter-house in the Vysocina region and first bio-slaughter-house for pigs in Czech Republic, characterized by very modern equipment and methods of slaughtering in compliance with animal welfare. This unit enables to use the same method of slaughtering to other farmers, due to contractual utilisation of the slaughter-house.

2. Relevance of case study experiences for others

Problems: The first project proposal was prepared at the end of the 1990's, when the farmer received the building licence but several legislative changes thwarted its realisation and the project had to be changed several time and the investments costs increased significantly. Finally, the farmer hired a consultancy agency to prepare the investment proposal.

Transferability and mainstreaming potential: The project can be replicated successfully elsewhere with respect to local conditions. However, its results have not been adopted by a wider range of farmers as the unit can be used only by ecological farmers with livestock.

Innovation: The project can be seen as innovative in the Vysocina region, as it constitutes the first modern, well-organized 'bio-unit' in the sector.



Institutional aspects: The owner was fully responsible for the project. However, he received advice and information on funding opportunities from private agency. No LAG was involved in the project.

Social aspects: 2 full-time local jobs have been created.

Environmental aspects (for projects that are not strictly environmental): The project contributed to the environment as the unit meets the requirements for ecological farming.

Sustainability: The slaughter-house is expected to be fully sustainable in the next two years. The owner expects to extend his network of customers in trade, hotels and restaurants.