

SPAIN

Farm's performance,
restructuring &
Modernisation and
entry of
skilled/younger
farmers

Location

Águilas, Murcia

Programming period

2014 - 2020

Priority

P2 - Competitiveness

Measure

M6.1 – Business start-up aid for young farmers & M4.1 – Support for investments in agricultural holdings

Funding (EUR)

Total budget

22 500.00 (M 6.1) &
50 275.25 (M4.1)

EAFRD

14 175.00 (M 6.1) &
31 673.41 (M 4.1)

National/regional

5 827.50 (M 6.1) &
13 021.29 (M4.1)

National top up

2 497.50 (M6.1) & 5 580.55
(M 4.1)

Project duration

2016 – 2017

Project promoter

Patricia Sanz Alvarez

Contact

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A young farmer received RDP support to set up a new horticultural seedling production facility and create employment for her family.

Summary

A young farmer from Águilas in the Spanish region of Murcia decided to create her own small enterprise in the area of the horticultural supply. Support was received by two RDP measures that helped the beneficiary to build a new cold storage room and purchase a new mechanical planter.



The investment incorporates new technologies that help improve the environmental performance of the farm mainly due to improved heating and water-saving systems.

Results

Five jobs were created and more workers may be needed in the summer to work in the seedling area.

The activity contributes to the local economy by adding a new business to the chain of suppliers/buyers.

Water efficiency was improved by the reduced water consumption of the new irrigation systems installed.

Lessons & Recommendations

- ❑ Setting up the selection criteria in a flexible way will allow the range of applicants for support to be broadened, giving preference to types of beneficiaries such as young people and women.
- ❑ The funding support has been an absolute driver for the realisation of the entrepreneurial plan and the setting up of the business.
- ❑ The managing authority believes that younger farmers, as beneficiaries, should be more intensively supported as they are more able to adapt to a new situation, and learn a new profession/new skills, while showing more interest in adding value to the product they produce.

Context

Murcia is located at the southeast of Spain, and 57% of the region's area is farmland. The primary sector and related agrifood businesses, which are export oriented, have a great potential for growth. However, challenges still need to be tackled in order to ensure sustainable development. One of them is the need for generational renewal and efficient resource management due to the limited water available and high levels of erosion.

In order to improve the competitiveness of agriculture, while improving the environmental performance of the sector, Murcia's rural development programme set the goal of providing investment support to 500 farmers to restructure and modernise farms. At least 550 young farmers would also be supported in launching their businesses.

"It is also this younger generation that shows a greater interest in adapting to climate change threats and contributing to meeting environmental challenges; they want to undertake projects that are profitable from every perspective."

Pilar Gómez, RDP managing authority

For the beneficiary, Patricia Álvarez, a young woman living in a rural area, the support came at the right time. She had been providing elderly care, but became unemployed. Her husband had been working in the sector, and they thought it would be a good idea to start a venture of their own.

Objectives

The RDP of Murcia has the objective of reducing the unemployment rate, which was 29% at the beginning of the programming period and higher among the young population (50%) and inhabitants of rural areas. Providing business start-up aid for young farmers and supporting investments in agricultural holdings also supports generational renewal in the farming sector.

Within this overarching strategy, the objective of this project was to design a business plan that could lead to an investment in horticulture seed provision, and create long-term job possibilities for the applying family.

Activities

The project was financed from two measures: Measure 4.1 - Support for investments in agricultural holdings, and Measure 6.1 - Business start-up aid for young farmers. Some activities were therefore not carried out sequentially, but in parallel.



As part of Measure 6.1, the beneficiary, Patricia Álvarez, developed a business plan with support from consultants who had special knowledge of the agricultural sector. During this phase, she received 120 hours of training on administration and farming. The training was organised in a set of classes to be followed over 2016. According to the beneficiary, *"I was told that success in any new enterprise is only possible after a lot of research and planning, acquiring and applying knowledge, and being prepared to put in a lot of hard work."*

Meanwhile, she prepared a proposal for the call on Measure 4.1, the results of which were published in September 2016. The business plan envisaged two phases: the improvement of the conditions of the farm to be rented for the business; and in the following year, 2017, the development of the marketing plan of the business.

The managing authority monitored the investments on the farm, and offered advice on the most suitable technology for resource efficiency. A cold storage room was built, and new machinery was bought including a mechanical planter and a peat spreader. The water system was replaced by a new one that recycles and diminishes the water losses.

2018 will be the second year of production. The project must remain active for five years after the last payment was received (2017).

Main Results

- The business plan was created and implemented.
- Five jobs were created and more may be needed in the summer, when there is a higher need of labour in the sector.
- The activity is contributing to the local economy by adding a new business to the chain.
- The agricultural sector benefits from the reduced water consumption for irrigation.

“We waited for it [the call for proposals] for over a year, because we knew it would be the final push we needed. Our son is a teenage now. We also wanted to create an opportunity for him to stay, and for our rural community to have a future.”

Patricia Alvarez, beneficiary

Key lessons

- The managing authority indicated that it was a surprise to see a single farmer to apply to this call. Seedling and horticulture projects are usually developed by larger enterprises that need to diversify their production or distribution area. However, the way the selection criteria was set up helped this proposal, and the young farmer achieved a high score.
- The funding support has been an absolute driver for this entrepreneurial plan and the setting up of the business.
- The managing authority considers that younger farmers are better able to adapt to a new situation and learn a new profession/new skills, while showing an interest in adding value to the product they produce. Sustainability and adding value are key to success in a competitive global market.



Additional sources of information

n/a