

HUNGARY

Farm's performance, restructuring and modernisation

Location

Csorna

Programming period

2014 – 2020

Priority

P2 – Competitiveness

Measure

M4 – Investments in
physical assets

Funding (EUR)

Total budget 854 070
EAFRD 409 150
National/Regional 72 204
Private 372 716

Project duration

2018 – 2018

Project promoter

Hanság-Fertőmenti
Cooperative

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A fruit and vegetables producing cooperative used RDP support to expand its cold storage capacity in order to better respond to market trends.

Summary

The co-operative Hanság-Fertőmenti sells fruit and vegetables produced by its members. The co-operative could provide long-term storage for only a small amount of its 6 000 tonnes of produced goods. By building a new cold store, the co-operative can now store 450 tonnes of products.



A cold store facility using ULO technology was built consisting of seven refrigeration chambers, including a manipulation space, a container, a wrapping warehouse and a socialising space. As part of the project, solar panels were installed on the roof of the building with a capacity of 50 kW to ensure the cold store's energy needs.

Results

The investment allows the cooperative to fully respond to year-round market demand for products.

The amount of food waste generated was considerably reduced owing to adequate cooling and storage.

Due to the increased market demand, the co-operative was able create at least four new jobs.

Sales revenues increased by 50%.

Lessons & Recommendations

- ❑ In order to ensure that operations were running smoothly, the work of the various subcontractors needed to be coordinated on a regular basis and simultaneously. Furthermore, regular, weekly meetings were organised with the contractor and subcontractors.

Context

The cooperative Hanság-Fertőmenti was established in 2003 and its members grow fruit on 330 hectares and vegetables on another 120 ha. The produced goods are partly sold on the farms, partly from the members' premises and partly from the cooperative's site. The cooperative has storage facilities (storage tanks) for harvesting and short-term storage, as well as normal freezer storage facilities for 110 tons of goods.

The market of the co-operative, especially for the two main products (apple and onion), requires a steady supply throughout the year. Over several seasons the members noticed that the price for goods stored in good quality was higher than the cost of storage costs, meaning that producers could achieve a higher margin when selling off season. However, when the storage capacity has been exceeded the cooperative must often sell the products at a lower price.

In view of the above, the general assembly of the co-operative decided to submit an application for support to the Rural Development Programme for the construction of a new cold store.

Objectives

The objectives of this project were to:

- ensure a steady supply of products for the market;
- providing better quality fruit to its clients;
- introduction of new ULO storage technology for onions;
- achieve a higher sales price;
- utilising solar energy during cooling and storage.

Activities

The project enabled the co-operative to construct a storage facility of nearly 800 m² and more than 5 meters high. The storage facility includes seven refrigeration chambers, a manipulation space, wrapping and packaging warehouses, a social block and offices. One of the seven refrigeration chambers has a capacity of 100 tonnes, two have 75 tonnes and four have 50 tonnes. Each cooling chamber is equipped with ULO technology which ensures long-term storage. The project also included the installation of 192 solar panels, with a maximum capacity of around 50 kW of electricity.

Main results

Both the refrigeration system of the storage facility and the renewable energy equipment are extremely cost effective. The investment allows the cooperative to fully respond to year-round market demand. The stored vegetables and fruits maintain their quality up until they are sold. Thanks to these two factors the co-operative will increase its market share and strengthen the position. As a result, the sale security of our members has increased significantly as well.

The amount of food waste generated is considerably reduced owing to the adequate cooling and storage.

Due to increased market demand, the co-operative was able to create at least four new jobs.

Using environmentally friendly energy (solar panels) helps the co-operative to protect the environment and reduce its fossil fuel consumption.

Sales revenues increased by 50%.



Key lessons

At the beginning of the construction and despite the previous static tests, the load bearing capacity of the ground was not sufficient, so the foundation plans had to be reworked.

Thanks to good planning and organisation, only the weather caused some complications during the construction.

In order to ensure that operations are running smoothly, the work of the various subcontractors needed to be coordinated on a regular basis and simultaneously. Furthermore regular, weekly meetings were organised with the contractor and subcontractors.

Additional sources of information

n/a