

HUNGARY

Farm's performance,
restructuring &
modernisation
Entry of skilled/younger
farmers

Location
Orosháza

Programming period
2014 – 2020

Priority
P2 – Competitiveness

Measure
M04 - Investments in
physical assets & M06 -
Farm & business
development

Funding (EUR)
M06: Total budget 40 983
EAFRD 32 000
National/Regional 8 000
Private 983
M04: Total budget 118 441
EAFRD 47 376
National/Regional 11 844
Private 59 221

Project duration
2019 – 2021

Project promoter
Dr. Nóra Klára Székely

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Website
n/a

Support for setting up young farmers and adding value to agricultural products in processing enabled a young entrepreneur to set up her own family business on producing artisanal dairy products.

Summary

Dr Nóra Székely was a lawyer who made cheese as a hobby. As her friends and relatives really appreciated her products, she decided to turn the hobby into a business. The Rural Development Programme (RDP)'s 'start-up support for young farmers' scheme enabled Dr. Székely to install heating, electricity, fans etc. in her farm building, acquire high pressure washing and disinfecting machinery, install a photovoltaic system and acquire livestock breeding equipment.



In addition to this, she also received support via the 'adding value to agricultural products in processing' scheme which financed the setting up of a cold room.

Results

The Pipitér Cheese Workshop's products (which include natural yogurts, butter, sour cream, various desserts, and more than 15 types of cheese) are now in high demand in and around Orosháza.

A total of six jobs were created.

The number of animals has been growing steadily since 2018 through purchases and breeding. Currently, the farm has 10 dairy cattle, 30 fattening bulls, 30 organically bred pigs and seven goats.

The farm processes 2 500 litres of its own milk weekly and produces and sells its dairy products directly. The current capacity of the plant could allow 5 000 litres of milk to be processed each week, so if demand increases production could be doubled without further investment in machinery.

Thanks to the photovoltaic plant, the farm can cover 50% of its electricity needs.

Currently, the products are sold only in Orosháza: twice a week onsite, and twice a week in a small shop in the town.

Lessons & Recommendations

- ❑ EAFRD support offers great opportunities for building family businesses that can provide a livelihood for several generations.
- ❑ It is very important to provide professional assistance to project beneficiaries. The advice and guidance of consultants and project managers is invaluable to implement investment projects.

Context

Dr. Nóra Székely was a lawyer until she decided to follow her passion for animal husbandry and cheese making. Initially, Dr. Székely had just one cow and started to make cheese as a hobby. Her family and friends appreciated and praised her products, and this led her to identify a potential market opportunity for special, artisan dairy produce in her hometown of Orosháza, a small city in Békés County, South-Eastern Hungary with less than 30 000 inhabitants.

This inspired her to start her own business, and thanks to the EAFRD support and persistent work, she built a successful business in just four years which employs six people. Dr. Székely's business is the first artisan producer of dairy products in area.

Objectives

The aim of this investment project was to support a young farmer in turning her hobby into a viable and competitive business.

Activities

The beneficiary received start up support from the Hungarian RDP, as a young farmer and for adding value to agricultural products in processing.

The financial support was used to build a cheese workshop and a stable. Apart from producing milk Dr. Székely also started fattening bulls and breeding goats and pigs. Her pigs are bred organically, with organic certification having been obtained for this activity. Investments in the production of renewable energy have been made to ensure that most of the energy needs of the farm will be covered sustainably.

The number of animals has been growing steadily since 2018, this has been done through both breeding and purchasing livestock. There are currently 10 dairy cattle, 30 fattening bulls, 30 fattening and mother pigs and 7 mother goats on the farm.

In 2017, Dr. Székely submitted her application for 'start-up support for young farmers' and in 2018 she started to build her farm. Activities financed included:

- The modernisation of a farm building (heating, electricity, fans, etc.);
- The acquisition of a 'Sterimob' machine used for high pressure washing and disinfecting;
- The installation of a photovoltaic system for producing electricity;
- The acquisition of livestock breeding equipment e.g. for feeding, animal welfare, etc.

In 2019, she successfully applied for 'adding value to agricultural products in processing' support which financed the setting up of a cold room.

In addition, the support covered the purchase of a 1 000 litre milk cooler, fridges with glass doors for the selling points, a freezer and a 1 400 litre industrial fridge.

RDP support also helped her acquire a compactor, two cheese vats, one with capacity for a 200- litres and the other 400-litres, tables, a hand washing machine, chemical dispensers and a 300-liter solar water heater.

The submitted projects did not cover the construction of the cheese workshop, which the beneficiary built using only her own funds.

Main results

The products of the Pipitér Cheese Workshop are in high demand in and around Orosháza. They produce natural yogurts, butter, sour cream, various desserts and more than 15 types of cheese.

A total of six jobs were created (herself as head of the company, one administrative staff, one sales staff; one cheese production worker; one animal caretaker and one half-time cleaner).

The number of animals has been growing steadily since 2018 through purchases and breeding. Currently the farm has 10 dairy cattle, 30 fattening bulls, 30 organically bred pigs and seven goats.

The farm processes 2 500 litres of its own milk weekly and produces and sells its dairy products directly.

The current capacity of the plant could allow 5 000 litres of milk to be processed per week, so if demand increases, current production could be doubled without further investments in machinery.

Dr. Székely is a small-scale farmer (so the farm is subject to simplified rules), she can only process her own milk and can only sell directly.

Thanks to the photovoltaic plant the farm can cover 50% of its electricity needs.

Currently, the products are only sold in Orosháza twice a week at the site, and twice a week in a small shop in the town. In addition, local public catering businesses have started to regularly buy products from the farm.

One of Dr Nóra Székely's family members is studying to be a food engineer and has started working in the family business, taking responsibility for sales.

Key lessons

In Hungary project beneficiaries often need professional assistance from consultants and project managers, because without their advice and guidance it is very difficult to implement investments projects. For the 'adding value to agricultural products in processing' part of the project, Dr. Székely entrusted only the writing of the application to a specialist and undertook the management of the implementation herself. With

hindsight, she would have contracted professionals to support the implementation as well, making best use of their professional experienced. The project was successfully implemented in the end, if slightly delayed.

A further lesson from the implementation of this project is that EAFRD support offers a great opportunity for building a family business that can provide a livelihood for several generations



Additional sources of information

www.facebook.com/pipitersajtmuhely