

LATVIA

Improving farm's performance, restructuring & modernization

Location
Ciemupe

Programming period
2014 - 2020

Priority
P2 – Farm Viability and Competitiveness

Measure
M06 – Farm and business development

Funding (EUR)
Total budget 15 833
EAFRD 10 200
National/Regional 4 800
Private 833

Project duration
2016 – 2017

Project promoter
Farm 'Darzini-2'

Contact
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A farm producing flowers used RDP support to purchase new equipment and a tractor, thus achieving its goal to enhance and diversify its production.

Summary

The farm 'Darzini – 2' was founded in 1992 and is specialised in floriculture and vegetables, which it sells to florists and cosmetics companies.

Demand for its products is high, however, the farm did not have the technical capacity to expand the production volume or the financial capacity to hire additional staff.

The farm received RDP support to buy a small tractor and equipment for the cultivation and transportation of the harvested plants and flowers. It also purchased specialist equipment for drying plants in order to create new products for sale to cosmetics companies and for use in saunas as part of diversification into offering accommodation for visitors.



Results

Improved technical equipment helped the farm to increase the efficiency of its production.

The farm increased the area used and also diversified the product range with plants that bloom until mid-June.

The investment helped the farm to process its surplus production for new markets and uses (for example, dried plants for use in saunas).

Lessons & Recommendations

- ❑ Strict RDP criteria and requirements should not discourage potential beneficiaries as they are meant to filter and direct support to farms that have a real potential to develop sustainable business activities.
- ❑ Experience from this project showed that working closely with the advisory services is crucial to ensure the success of such projects.
- ❑ Exposure to new knowledge and information is also very important to develop a business. The beneficiary participates in seminars, study visits and other events where she can find new ideas to diversify her farm.
- ❑ The quality of production inputs is a key success factor for a business. It is recommended to use only professional seeds to ensure quality final products.

Context

The farm 'Darzini – 2' was founded in 1992 by Ms. Indra Prieciņa. The farm is specialised in floriculture and vegetables.

The farm grows limonium, zinnia and salmon plants, which it dries and sells to a popular Latvian cosmetics manufacturer and other florists. It also grows other plants and flowers such as snapdragon, nigella, ageratum, and molucella. Demand for these flowers is quite high among florists in Jelgava city.

The farm has two 140m² large greenhouses and a third is under construction, so beside plants growing, it is also possible to grow flowers and floristry consumables in early spring. However, the farm did not have the technical capacity to expand the production volume. It also did not have the financial capacity to hire additional staff as needed. Even with the current volume of production a lot of work was needed to sow and grow the plants. Any delays in the spring work and the first harvest would be delayed.

In close cooperation with experts from the Latvian Rural Advisory and Training Centre, Jelgava branch, the beneficiary applied for funding through RDP measure on 'farm and business development' to prepare a project application for RDP support.

Objectives

The project aimed to:

- improve the production process with new equipment;
- increase the production and net turnover.

Activities

The farm received 15 000 EUR of RDP support which was used to buy a small tractor, cultivation and transportation equipment for harvest. In addition the farm bought equipment to dry plants, developing new products to be used in saunas. This was due to the development of rural tourism in the farm and the opportunity to host groups at the farm.

This diversified activity brought new types of plants in the range of cultivated flowers including catnip, lady's mantle (alchemilla), lavender, Moldavian dragonhead, cornflowers, wild mallow, Mexican mint, and marigold.



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Main results

- The improved technical equipment helped the farm to complete quickly the sowing and growing of the plants in early spring;
- The farm increased the area used and diversified the products range with plants that bloom until mid-June;
- The investment helped the farm to process its surplus production for sale in new markets in Jelgava city.

Key lessons

The beneficiary considers that support for small farms is well programmed. The strict criteria and requirements are meant to filter and direct support to farms that have a real potential to develop into sustainable businesses.

The support received by the Latvian Rural Advisory and Training Centre services during the preparation of the project application was very important to ensure the success of the project.

The beneficiary is participating in seminars, study visits and other events where she can get new ideas to diversify her own farm.

It is recommended to use only professional seeds, in order to ensure the quality of the final product and that, for examples, colours always correspond to what is displayed on the package.

Additional sources of information

n/a