

Agro-MAC VET
Multi – Actor Cooperation for Vocational Education and Training
in the Agro-food Sector
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Case study
in Hungary

Raising the added value
by developing farm-cheese production

1. Description of the organization, containing at least:

Name, address, website: Anonymous, (information available on a case by case at METE via the Agro-MAC VET contact points).

Location: Hungary, Central-Trans-Danubia

Activity:

- Animal husbandry (goat)
- horsing (horse-keeping, leasing, schooling)
- Farm-cheese production

Sector or subsector:

- husbandry, food industry (Farm-cheese production),

Target group:

- active personnel,
- young people,

Geographical coverage:

- National.
- Farms, agro-plants are in distress in the region

Funding:

- Private funding sources.
- EU and National subventions for developing the added value the agro-products

Special connections:

- Chamber of agriculture, professional organizations...

Use of IT:

- for the financial and marketing activity of the farm
- for collecting information
- for (e-) learning – developing their own knowledge
- for common joining
- Process checking and control by PC

Special achievements and testimonies:

- young farmers.

2. Executive summary

A young couple (the man: agronomist with horsing knowledge, the woman with middle range economic practice – both around 30) bought some years before a little farm with stall, machine-barn and a little grass field.

They started with horse keeping and leasing, as well as with stalling. Later they purchased some goats for their personal need based on their grass field.

Economically the enterprise was no profitable, they could not live from the incomes.

The woman found some activity to try to increase their possibilities to make their life better. With help the Chamber of Agriculture, the Society of Food Producers and her old school they found a perspective solution: production and regional disposal some kind of goat-cheese.

Based on the results of market analysis of the raw material, the qualitative and volumetric needs they developed a farm-cheese product line using a special process which provides a longer life shelf. This development was achieved with the support of a dairy-technologist.

The product: Fully goat cheese and cheese made from 50%-50% goat and cow milk, in vacuum-package (250 g/package). Later the product was able to obtain the qualification “organic” (in Hungarian: “bio”) product.

Raw-material source: While the farm produces only a little amount of milk, it started to process the small milk producers organic production within a 40 km radius. (The terrain is by farm-size and geographically available for organic agro-production.)

Market: first the market consisted in a few little and middle size food-shops. After one year they could sell to two hypermarkets. Some regional hospitals (dietetics and rehabilitation) also bought the products.

Production-development: At the beginning the production started in hired premises. With loan and support the plant was created and equipped with small-size technology.

To the financial and commercial analysis of the development we used “direct-costing”¹ method, to the liquidity and the ROI calculation the calculation method was provided by the National Developing Agency.

Based on the increasing demand an application for support was made to develop and update the plant on their own place. (PC-regulated process, environmental-friendly solutions, wastewater management, etc.)

Direct results in terms of increase:

- Production by 500%;
- Employees by 100%;
- total revenue by 530%;
- Earnings by 2200%. (twenty two fold).

To develop the project they used their own fund 16% + a bank loan 34% + a subvention 50% (no refundable).

Credit reimbursement period 5 years; total reimbursement period 6,5 years

The development is going on. Orders cover 60% of the capacity.

¹ **Direct costing:** Method in which the cost of a product or operation is determined by allocating to it an appropriate portion of the variable (direct) costs. Direct costing treats fixed costs (overheads such as administrative and selling costs) as period costs (associated with time and not output). Also called contribution costing or variable costing. See also absorption costing and marginal costing (definition: source Wikipedia).

3. Supplementary comments:

This example has been chosen to demonstrate:

- A little and not profitable farm can correct its economic situation by developing and diversifying its activity taking into its own and surroundings resources better.
- The experience in the CAP and the National agro-developing plan and resources can help solve the problems.

The case also demonstrates

- the importance (and need) of a multi-actors cooperation (between the farmer – producer – commerce – chamber – bank – public organisations) is not only at big developments, but at the little steps too.
- the systematic collection and use of relevant information – and (e-)learning methods and solutions are also at reach of (and of high benefit to) little farm and not only of grand enterprises and research centres

This case is targeted

- first of all to the farmers,
- but also to the trainers who have to illustrate solutions and examples to the trainees
- for the regional and national authorities or supporting organisations dealing with regional and agro-development

The innovative approach illustrated by this case:

- the process (multi-actor cooperation supported by learning approaches) to find good solution,
- the integration of raw material producers
- the use of the direct costing calculation method for the farm-economy
- the farm is ready to take part in the VET education as exercise-workshop.



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This publication reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

More information:

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