

HUNGARY

Implementing local development strategies

Location

Tápiószőlős

Programming period

2007 - 2013

Axis

Axis 4 – LEADER

Measure

M411 - Competitiveness

Funding (EUR)

Total budget 73 611

EAFRD 26 316

National/Regional 21 531

Private 25 764

Project duration

2013 – 2014

Project promoter

Tímea Dobos

Contact

timuska9@gmail.com

Website

n/a

The cost for fossil fuels can be a significant constrain for the operation of a small farm. Reverting into renewable sources of energy such as biomass, can help increase the farm's competitiveness while protecting the environment.

Summary

A small family business produces different types of peppers in polytunnels. The production is organic and the biggest operational cost is for heating. The owner decided to implement a heating modernisation project with the financial support from LEADER.



The beneficiary used LEADER funding to install three 300 KW biomass boilers. After extensive search a Hungarian manufacturer was selected and a local entrepreneur was also contracted to construct the building for the boiler room. The investment was completed in March 2014.

Results

The heating costs were reduced significantly by about 33%.

The new heating system allows the cultivation to take place all year round with reduced costs. In this way the farm can respond to new market opportunities and increase its profitability.

Buying wood chips for fuel from neighbouring wood industries has a direct positive impact to the local economy.

Lessons & Recommendations

- ❑ The collaboration with the LAG was critical to the success of the project. The LAG provided professional assistance and consultation during the implementation of our project.
- ❑ Finding the right provider of wood chips was an issue at the beginning. Several suppliers were tried before the beneficiary could find the correct chip size. Bigger pieces would block the system feeding the boiler. An alarm had to be set in order to alert the farmer during the night if there was any problem with the fuel.

Context

The small family business has been operating for 20 years in Tápiószőlős, in the Eastern part of Central Hungary. The farm produces different types of peppers on one hectare of land covered by polytunnels. The production is organic and the heating, the ventilation, the irrigation and nutrient supply are automatic.

The biggest operational cost of farming in polytunnels is the heating cost and due to the dependence on fossil fuels (coal and natural gas), the heating costs had been constantly rising. Consequently, the owner decided to implement a heating modernisation project with the financial support from LEADER.

The family farm is also committed to the protection of the environment and therefore they opted to use renewable energy by installing biomass boilers.

Objectives

The farm wanted to maintain its competitiveness by reducing its heating costs, while maintain the environmental friendly way of operation.

Activities

The investment begun in November 2013 when the beneficiary decided to install three 300 KW biomass boilers. Although the installation cost for biomass burring boiler is higher than that of gas-heated hot water system, the daily running costs are a good deal lower.

Given the social and economic disadvantages of the region, the project was in line with the local development strategy of the LAG Hajt-A Csatat. Therefore, LEADER support was the preferred option to finance the project. The beneficiary also decided to contract only local companies in the area of the LAG in support of the local economy.

After having prepared the business plan and financial framework, the next and most important step was the selection of boilers. The beneficiary asked for professional advice while doing his own web search. A Hungarian manufacturer Halex 3 Ltd. was selected and three 300 KW

boilers were bought. The support also covered the construction of the building for the boiler room. As soon as the groundwork and the delivery of the boilers to the site were completed, the various elements were connected to the boilers including the woodchips storage, pulley system, chimney, control panel, etc. Finally, the heating system was tested with the help of the manufacturer. The investment was completed in March 2014.



Main results

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The new heating system allows the cultivation to take place all year round with reduced costs. In this way the farm can respond to new market opportunities and increase its profitability.

Buying wood chips for fuel from neighbouring wood industries has a direct positive impact to the local economy.

Key lessons

The collaboration with the LAG was critical to the success of the project. The LAG provided professional assistance and consultation during the implementation of the project.

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