



European Union  
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**„Völgység Kincse” Social Cooperative -  
increasing employment in rural areas and  
promoting short supply chains**

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# Background

- Tolna County is one of the most rural counties of Hungary
- Unemployment, ageing and lack of job opportunities outside of urban centres
- Sub-par level of education of workforce
- Outstanding potential in agriculture, lack of processing capacities
- Longstanding tradition: farmers were working together since the early '90s in the form of cooperatives
- Social cooperative: socially engaged, profit-oriented business

# The Cooperatives of Kisvejké



- The Danubia-Frucht Cooperative is a grouping of local fruit producers selling fruit, mainly for export
- 500 ha of fruit plantations, 42 members and 70 families providing fruits
- The cooperative offers interregional exchange of experience for farmers, market opportunities and cold storage capacity
- The lack of processing capacities led to the establishment of the Social Cooperative – the „Völgység Kincse”
- There is a third cooperative, called Balaton Ker-Tész, through which the school fruit program is managed. They provide schools with fruit in 4 counties.

## The Völgység Kincse Social Cooperative



- Established using support from the Social Renewal Operational Programme (2007-2013 ERDF OP)
- A total of 200.000 EUR support was used to start fruit juice production as well as create a brand and employ and train local people
  - Several birds with one stone:
    - Increasing local employment
    - Establishing processing capacities (increasing added value)
    - The processing capacity is available for anyone over 100 kg of raw material
    - Providing fruit juice for schools
    - Increasing competitiveness of the Danubia-Frucht cooperative (working together)



## The Völgység Kincse Social Cooperative



- The Cooperative also operates a local product shop near their factory offering products from local small, mostly family-run businesses (pasta, jam, etc.)
- This is a very important Practice for small Municipalities and poor rural regions as it shows that local strengths can be built upon
  - Local commitment
  - Clear goals
  - Special attention given to the involvement of the target group

The municipality of Kisvejké is also a member of the cooperative, so it is eligible to apply for further development.



## Results

### Evidence of success

- Local product store
- Webshop
- 46 schools in partnership
- Excellent product award in 2017

### Difficulties

- Liquidity problems, late payments
- Post-financing in projects and recently lack of projects

### Transferability

- Profiting from existing facilities
- Creating jobs, building community in collaboration
- Taking advantage of the tender opportunities, they are developing and expanding the plant, their activities and also their products based on market research.



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**Thank you!**

**Questions are welcome!**



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