

Estonia

Entry of skilled/young farmers

Location

Saaremaa

Programming period

2014 – 2020

Priority

P1- Knowledge transfer & innovation

Measure

M06 - Farm & business development

Funding

Total budget 150 000 (EUR)
EAFRD 32 800 (EUR)
National/Regional 7 200 (EUR)
Private 110 000 (EUR)

Project duration

2019 – 2021

Project promoter

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Organic egg facility on Estonian island receives start-up support for a young farmer.

Summary

A young city dweller moved to the Estonian island of Saaremaa and used CAP support for young farmers to set up an organic egg business. The project's success was safeguarded through innovative crowdfunding offering 'digital chicken' investments and other online market development activities that both secured and built client loyalty.



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Project Results

CAP funding enabled this young farmer to establish a successful business with 3 000 chickens producing organic eggs. The annual turnover forecast for 2022 was over 200,000 euros.

Results boosted EU organic production and provided food security benefits for Estonia, as well as income for the young farmer, and helped to safeguard the viability of the Saaremaa Island community.

Lessons & Recommendations

- ❑ Traditional financial institutions may consider small farms to be vulnerable, and therefore avoid financing them. However, CAP support can help fill this financing gap for small farms, such as by subsidising the risk involved in well-planned business start-up projects.
- ❑ Direct marketing using innovative digital methods offers useful opportunities for farmers to sustain and grow their business operations, thereby enhancing food security and contributing to EU policies like the Farm to Fork strategy's goals for increased uptake of organic production systems.

Context

When Tanel Tang was 32 years old, he decided to change his career and move from being a national manager of a large company to start a new life in the countryside as a young farmer on Saaremaa Island. Tanel wanted to set up an organic egg production business, knowing that domestic egg production in Estonia only accounted for 50% of sales, and demand for organic eggs was increasing annually.

Objectives

The aim of this project was to support a young farmer establish his own farm business producing organic eggs in response to growing market demand.

Activities

CAP funding support was used to help Tanel purchase a pig farm building and convert it into an egg production facility.

Actions included installing automatic lighting, ventilation and feeding systems as well as watering lines. Nesting boxes with floor grates were set up, including hatches and an egg line to collect the eggs.

Main Results

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His business development results also included successful digital marketing and innovative crowdfunding campaigns which helped his business survive the pandemic impacts and gain national advertising through TV and internet channels.

Key lessons

Access to funding was the biggest problem confronted by the farmer. Traditional financial institutions considered small farms to be vulnerable, and therefore avoided financing them. However, CAP support was able to fill this financing gap by helping to subsidise the risk involved in such a business start-up.

Raising customer awareness about his farm's organic product played a key role in the project's success. Tanel started out writing a blog to engage people interested in organic eggs and food security which, within two years generated a Facebook following of over 8 000 people. Every post generated 1 000-2 000 likes and several hundred shares, and this is the basis upon which Tanel launched his successful community fundraising initiative. People were offered the opportunity to buy a digital chicken - each 'chicken' representing a small share in the company, the value of which (as a share of the company's profits) is represented by 'digital eggs' for the owner. This crowdfunding campaign raised 65 000 euros and helped the company avoid bankruptcy during the pandemic. In addition, Tanel filmed a TV series called 'Tanel and the Chickens' (Tanel ja kanad) which was broadcast on national television and. His social media followers are now business stakeholders.