

Good Practice Example No. 1

Module 1: Access to Funds and Subsidies in Agribusiness

How Subsidies and IPARD Incentives Enable the Sustainability and Development of a Farm – The Example of Milica Đorđević (Vukošica, Serbia)

Industry:	Dairy Farming & Fruit Processing (Organic Focus)
Location:	Vukošica (near Kraljevo)
Established in:	Family tradition; Modernized/Registered c. 2018-2019
Legal form:	Registered Agricultural Household
Business model:	B2C (Direct sales) & B2B (Local distribution)
Core activity:	Primary milk production and value-added plum processing

Milica Đorđević from Vukošica, a graduate engineer of organic agriculture, decided to return to her family farm and take an active role in its further development. The farm is engaged in dairy livestock production, fruit growing and processing plums into value-added products such as sugar-free plum jam. Her decision was not only personal but also business-oriented - it marked the beginning of a strategic reconsideration of the farm's future.

When she became more intensively involved in management, Milica assessed the actual state of the business. Production was ongoing and a market existed, but limited capacity and technical equipment restricted further growth. Without investment in modernization and improved processing, the farm would have remained at the level of primary production, with limited income and low competitiveness. Rather than accepting this situation as a permanent constraint, she initiated a structured development planning process.

The first step in this process was clearly defining the goals. The objective was not merely to maintain the current state, but to improve production, increase the value of final products and ensure long-term economic sustainability. Only after establishing a precise development direction did she begin exploring potential sources of financing.

IPARD as an instrument for implementing the plan

Within the framework of clearly defined objectives, the IPARD fund was recognized as an instrument for implementing the strategic plan, rather than as a random opportunity to obtain funding. The application process required the preparation of a business plan, financial projections and an assessment of investment feasibility. Milica had to evaluate costs, expected revenues, the investment payback period and the impact of modernization on the farm's market position. Her family prepared for the IPARD call by using information gathered through consultancy support.

The successful use of IPARD funds enabled modernization and production improvement, thereby increasing competitiveness and business stability. However, the key to success was not merely obtaining funding, but ensuring that the investment was part of a broader development

strategy. IPARD served as a financial tool for achieving clearly defined goals, rather than as an incentive for unplanned expansion.

The example of Milica Đorđević demonstrates that the IPARD fund alone does not guarantee success. Success comes from having a clear vision, well-defined goals, and investments aligned with real capacities and market potential. This example confirms that strategic planning is the foundation of sustainable development and that funds are most effective when they are part of a well-thought-out business strategy - not a substitute for it.

Source: <https://agrosmart.net/2023/10/17/podsticaji-vazni-za-ostanak-i-opstanak-zena-u-poljoprivredi-kada-svi-odlaze-ja-ostajem/>