

Good Practice Example No. 2

Module 1: Access to Funds and Subsidies in Agribusiness

***IPARD Measure 1 as a Tool for Business Modernization Through
Mechanization – The Example of Dragana Đurić (Stanišić, Vojvodina)***

Industry:	Arable Crop Farming (Field Crops)
Location:	Stanišić (near Sombor), West Bačka District
Established in:	Family farm transition; modernized c. 2020-2021
Legal form:	Registered Agricultural Household
Business model:	B2B (Wholesale of raw crops/grains)
Core activity:	Large-scale land cultivation and grain production

Dragana Đurić from Stanišić near Sombor represents an example of a young female farmer who recognized the need to elevate her family farm to a higher level of productivity and competitiveness. When she took a more active role in managing the business, she faced a reality common to many producers - outdated machinery was limiting work efficiency and the capacity for further development. The decision to modernize operations was not driven solely by the desire for technical improvement, but by strategic thinking about the long-term sustainability of the farm.

After analyzing the existing situation, Dragana concluded that mechanization was the key factor slowing growth and increasing production costs. The existing equipment did not allow for optimal land cultivation or efficient use of labor. Without investing in a modern tractor, further development would have been difficult and competitiveness reduced. However, an investment of that scale exceeded the farm's own financial capacity. It was at this stage that the process of strategic planning began.

IPARD as Part of the Business Strategy

Dragana recognized that IPARD Measure 1, which supports the modernization of agricultural holdings, could provide a solution for implementing the investment. Particularly important was the fact that women and young farmers receive priority points in the evaluation process, as well as a higher percentage of non-refundable grants. In her case, through the IPARD public call, she secured 65% non-refundable funding for the purchase of a tractor. This percentage significantly reduced investment risk and made it possible to implement a plan that would have been difficult to achieve without support. It is important to emphasize that IPARD was not an impulsive decision, but rather an instrument used to implement a previously defined development goal.

The application process required the preparation of precise documentation, financial projections and alignment of the investment with program rules. Dragana approached the application systematically, with a clear understanding of costs, expected benefits and the long-term effects of the investment. This phase represents the essence of business management - the ability to evaluate an investment through the lens of profitability, cash flow and future productivity, rather than solely through technical necessity.

The purchase of the new tractor significantly improved work efficiency on the farm. The speed of land cultivation increased, operational costs were reduced and work organization was enhanced. Mechanization became the foundation for further expansion of activities and a more stable business model. Modernization enabled the farm to become more competitive, more resilient to market changes and sustainable in the long term.

Source: <https://ipard.gov.rs/wp-content/uploads/2024/05/IPARD-in-focus-No.-9-MarchApril-2021.pdf>; <https://www.agroTV.net/zene-u-agrobiznisu-imaju-brojne-povlastice/>