

## SPAIN

### Agri-food chain integration & quality

**Location**  
Madrid

**Programming period**  
2014 – 2020

**Priority**  
P3 – Food chain  
& risk management

**Measure**  
M16 - Cooperation

**Funding (EUR)**  
Total budget 165 000  
EAFRD 132 000  
National/Regional 33 000

**Project duration**  
2018 – 2021

**Project promoter\***  
Instituto Madrileño de  
Investigación y Desarrollo  
Rural, Agrario y Alimentario  
(IMIDRA)

**Contact**  
[joseluis.cruz@madrid.org](mailto:joseluis.cruz@madrid.org)

**Website**  
n/a

An EIP Operational Group was set up to strengthen the food chain and create short distribution channels for small and medium farms in the Madrid region.

## Summary

The region of Madrid has experienced strong economic and urban growth in recent decades. However, the urbanisation process has been so intensive that it has broken the link between the countryside and the city. A study carried out by IMIDRA<sup>1</sup> in 2014, showed a lack of knowledge among consumers about the agricultural products from the Madrid Region including quality olive oil, wine, cheese, fruit and vegetables.



In this context, the Madrid-KmRegion operational group provides an alternative to the current situation, by strengthening the food chain and short distribution channels for small and medium farms in the region. It also supports young people who want to join the agricultural sector without intermediaries or cannot access funding by offering match funding, hence reducing the distance ‘from farm to fork’.

## Results

In 2019 a network of six farms that are open to visitors was established. In 2020, the operational group expects to include six more, thus forming a network of 12 participating farms, at least.

A system to provide information about fairs and local markets has been created. It is available throughout the region and enables consumers to meet local producers and access local products.

The project covers 10 local entities of the Madrid Region.

## Lessons & Recommendations

- ❑ One of the strengths of this project, is its success in including the most relevant agents in the commercialisation and distribution chain. Bringing together these key stakeholders is the basis for setting up simple, short distribution chains.
- ❑ It was found that the support of related public policies, especially at the local level, is essential to help overcome the barriers in the development of local markets. Public initiatives may include, for example, regulations associated with street markets, or dissemination and marketing campaigns, as well as public procurement.
- ❑ The match funding approach applied by the operational group is an element worth replicating in other projects. It can provide support to farmers who are just starting and cannot access conventional financing channels.

<sup>1</sup> Madrileño Institute for Rural, Agrarian and Food Research and Development (IMIDRA), an autonomous body attached to the Ministry of the Environment and Spatial Planning, is in charge of research in the agricultural field.

\* The Project promoter/beneficiary is an EIP-AGRI Operational Group (<https://ec.europa.eu/eip/agriculture/en>)

## Context

The Madrid Region (MR) has experienced strong economic and urban growth in recent decades. It has absorbed the population from other neighbouring areas and has become synonymous with the third sector, industrial and financial activities. However, the pace of urban and cosmopolitan life of this big city, coexists with a living rural world within its territory which, in many cases, struggles to survive.

The urbanisation process has been so intensive that it has broken the link between the countryside and the city. This fact is one of the great obstacles that the Madrid rural area must face. It must overcome the barrier of the commonly held belief that 'in Madrid there is not countryside'. A study was carried out by IMIDRA in 2014, which showed a lack of knowledge among consumers about Madrid's agricultural products. The area still produces quality olive oil, wine, cheese, fruit and vegetables which are unknown to many citizens of Madrid.

In addition, this study analysed the reasons why young people do not get engaged in the agricultural sector, even in the crisis context of recent years. Among the conclusions was, that it is not so much the fear of joining a new production sector; the real challenge is that young people are not aware of where and how to sell their products. They consider that the large distribution channels impose complicated conditions for small producers, and they are not aware of alternative ways to sell their products.

In this context, the Madrid-KmRegion operational group emerged, to provide an alternative to the current situation.

## Objectives

The objectives of this EIP-operational group were:

- to create and improve the conditions that accompany the process of shortening trade circuits and increase agri-food production and consumption, in the Madrid Region;
- to inform consumers of the agri-food production in the region;
- to improve the communication between consumers and producers; and
- to test different distribution models to enhance the relationship between producers and consumers.

## Activities

A range of different activities have been designed to respond to the barriers identified in the distribution, commercialisation and communication between consumers and producers in the region. A twin approach is taking place, with activities focused on publicising the local agricultural production, and on testing alternative approaches to distribution.

On the promotional side, the project supports the design and development of a label to communicate the links between consumers and producers. It highlights the value of local products and promotes the advantages of consuming local products. The label will provide information about the economic, social and environmental footprint of each product. Currently, a technical study is being carried out to select the information that will be included in this label. A pilot test is on-going, calculating the indicators for different food products of agroecological, ecological and conventional production.

The project helped create a network of farms that are open to visitors and that sell their products on-site. Alternative distribution channels are through the promotion of producer markets, as well as highlighting the idea to municipalities and other local entities that are interested in this type of short distribution channel.

An Observatory has been set up to learn about national and international experiences. The observatory identifies and compiles good practices in terms of regulation and strategies for promoting short distribution channels.

An innovative idea, supported by the project, was to develop a match funding approach, which is a variation on collective microfinance and crowdfunding. In this approach, projects that receive a certain level of citizens support are selected to be supported by the Madrid-KmRegión operational group, thus complementing their private investment. This match funding formula is attractive for public or private entities that want to carry out small initiatives which are in their early stages and cannot access conventional financing channels. The match funding allows government's support to be channelled to initiatives that already have social support.

The operational group includes a work package dedicated to capturing knowledge, good practice and lessons as a way of monitoring and evaluating changes that have been produced as a result of this project.

### Main Results

In 2019 a network of six farms which are open to visitors was established. In 2020, the operational group expects to include six more, thus becoming a network of 12 farms, at least. Interest shown by farmers and consumers indicates that this figure can be exceeded.

Moreover, a system to organise information about fairs and markets has been created. It is available throughout the region (in the city of Madrid and other municipalities) and enables consumers to find local producers and access local products.

A web platform has been created to provide information on the progress of the project.

Three initiatives have been chosen in the match funding activity: the first one, is a logistics platform that makes it easier for producers to store their products and bring them closer to Madrid city; a second project is about distributing organic products to consumers, using electric bicycles within the M30 - an ring road that encircles urban Madrid; and the third project is focused on setting up a cooperative supermarket.

The project covers 10 local entities in the Madrid Region. However, a resent mapping exercise identified more than 90 municipalities in the region that have carried out some activity to promote local products in recent years. The IMIDRA study indicates that within the limits of the project budget, it is not possible to respond to the all the current demand. Nevertheless, it is a good sign that there is great interest in short distribution channels across the region.

A project partner, the United Association of Agroecological Producers (AUPA) includes more than fifteen producers in the region. It is only the association that currently has representation on the operational group, but other producers who are interested in this type of commercialisation of agricultural products can take part in the activities of the project.



### Key lessons

One of the strengths of this project is including the most relevant agents in the commercialisation and distribution chains. The operational group brought together consumers through the Organisation of Consumers and Users (OCU; municipal corporations through Red Terrae; producers through AUPA; and intermediaries through the Association ALYSS. These four stakeholders are the basis for setting up simple, short distribution chains.

Furthermore, IMIDRA found that the support of related public policies on local food chains, is essential to help overcome the barriers for the development of local markets. Public initiatives may include, for example, simplified regulations associated with street markets; dissemination and marketing campaigns; as well as public procurement. In addition, the use of local products could be included for example, in the criteria for public tenders that supply nurseries or public centres. This could be a significant boost to the consumption of zero-kilometre products.

The operational group considers that the match funding approach applied, is an element worth replicating in other projects. It has traditionally been used to support initiatives in arts or culture. However, it can be easily applied in the agricultural and food sectors, providing support to farmers who are just starting their business and cannot access conventional financing channels. In addition, it is a good marketing tool that gives publicity to both the product and the producer.

---

### Additional sources of information

<https://www.comunidad.madrid/servicios/medio-rural/investigacion-agraria>