

The European Agricultural Fund for Rural Development

Examples of Food projects

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European Network for Rural Development

The European Network for Rural Development (ENRD) contributes to the efficient implementation of Rural Development Programmes (RDPs) throughout the European Union (EU).

Each Member State has established a National Rural Network (NRN) which brings together the organisations and administrations involved in rural development.

At EU level, the ENRD ensures the networking of these NRNs, national administrations and European organisations.

Find out more on the *ENRD website* (<http://enrd.ec.europa.eu>).

The European Agricultural Fund for Rural Development

Information exchange is an important aspect of the NRN and ENRD operations. This brochure forms part of a series of ENRD publications that has been introduced to help encourage such information exchange.

Each edition of the brochure features different types of projects that have received RDP co-finance from The European Agricultural Fund for Rural Development (EAFRD).

This edition of the brochure focuses on how the EAFRD is supporting different types of food projects in Europe's countryside.

Other editions of the brochure can be downloaded from the *ENRD website's library section*¹ and a *RDP Projects database*² contains many examples of EAFRD assistance to rural development initiatives.

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1 http://enrd.ec.europa.eu/en-rd-library/eafrd_examples_of_projects_brochure_en/en/eafrd_examples_of_projects_brochure_en_home.cfm

2 <http://enrd.ec.europa.eu/projects/>

Table of contents

Examples of EAFRD food projects

Introduction: EAFRD assists the EU food sector	3
Modernising EU food production: POLAND	4
Resource-efficient food: MALTA	6
Local food promotion: FRANCE	8
Animal welfare friendly food: CZECH REPUBLIC	10
Quality counts: SPAIN	12
Safeguarding future food supplies: BULGARIA	14
Dairy sector support: CYPRUS	16
Direct sales: ITALY	18
Rural food networks: SWEDEN	20



2

Introduction: EAFRD assists the EU food sector

Food is fundamental to life and the majority of the food that we eat comes from Europe's rural areas.

Food priorities for the European Union (EU) include safeguarding food supplies and providing European citizens with *quality, value* and a *diversity of food* which is produced sustainably³.

The Common Agricultural Policy (CAP) contains vital forms of EU support to help rural areas from the 27 Member States supply us with a tasty range of different food products.

CAP contributions to guaranteeing European citizens with healthy and quality food are closely linked with other priorities of the policy which strengthen the position of agriculture, preserve the environment, and help to develop rural areas.⁴

EU rural development policy is an integral part of the CAP and is heavily involved with supporting the competitiveness of Europe's food sector through modernisation and innovation.

Large parts of the European Agricultural Fund for Rural Development (EAFRD) budget are targeted towards the agri-food industry⁵ through Rural Development Programme (RDP) measures that operate in each EU country.

Such EAFRD support is also making important contributions to developing the EU agri-food sector, which provides jobs for more than 16 million people.

Development activity underway in agri-food businesses with assistance from the EAFRD is improving competitiveness and addressing other challenges linked to the sustainability of EU food supplies.

This brochure has been produced to highlight how these types of EAFRD projects are safeguarding our food supplies and supporting the EU's agri-food sector.

Project examples featured in the articles cover a cross-section of food and drink stories from around the EU. Together they demonstrate the range of positive benefits in Member States from food-related rural development activity under the CAP.

3 Sustainable food production in the EU takes account of environmental, water, animal health and welfare, plant health and public health requirements.

4 Proposals for the next period of CAP funding from 2014 to 2020 stress the ongoing importance of food security as a top strategic objective for the EU (see http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/com627/627_en.pdf)

5 Other core parts of the EAFRD provide support for sustainable management of natural resources and climate action, as well as balanced territorial development through assistance for rural economic diversification and quality of life activity.

Modernising EU food production: EAFRD project improves the competitiveness of Polish food processing businesses

EAFRD is a useful tool for helping rural food businesses in Member States to modernise their equipment, processes and facilities to become more competitive. Outcomes of these projects can have knock-on benefits for the wider rural economy.

People involved in the EU food sector can use EAFRD support in a great many different ways, and flexibility is a key strength of the EAFRD's rural development toolkit. One well established form of EAFRD support for rural food businesses involves using the EU funds to help invest in new equipment or facilities for producing and processing food. The EAFRD has a proven track record with these sorts of rural development projects in all of the 27 Member States.

Modernising the operations of rural food businesses can have positive effects on the overall competitiveness of the EU's food sector. EAFRD actions can thus be seen to fit well with the EU's main strategy for economic growth – the *Europe 2020 initiative*⁶.

Supporting modernisation of food production and processing is particularly important because studies have shown that challenges still exist in the EU's food and drink sector regarding competitiveness. In 2009, members of an EU *High Level Forum for a Better Functioning Food Supply Chain*⁷ made recommendations on how these challenges could be tackled.

Better access to financial support for Small and Medium Enterprises (SMEs) in the food sector was identified as being needed, and the availability of EAFRD can help to address this competitiveness factor for agri-food SMEs in rural areas.

Most businesses in the EU food supply chain are SMEs and their relevance is acknowledged as part of the European Commission's push to promote "*Think Small First*"⁸ principles in its development policies.

One of the many thousands of project examples showing how this happens on the ground with EAFRD support can be seen in Poland where the national RDP is providing funding assistance for food SMEs like Sokpol Koncentraty.

EAFRD in action

Based in Lubelskie Voivodship, this rural food SME specialises in converting 50 000 tonnes of fruit and vegetables each year into juice and puree products that are sold to domestic and EU markets. The company provides employment for around 80 people and buys its raw materials from local farmers. Such purchasing power provides a regular source of income for agri-food producers in the region.

Sokpol Koncentraty's position in the Polish food supply chain has been bolstered in the last few years thanks to support from the EAFRD for a coordinated package of modernisation measures. Talking about the background to their EAFRD project Piotr Trojanowicz, Chairman of the Board of Sokpol Koncentraty says, "We wanted to embark on a major investment programme to



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6 http://ec.europa.eu/europe2020/index_en.htm

7 http://ec.europa.eu/enterprise/sectors/food/files/high_level_group_2008/documents_hlg/final_recommendations_hlg_17_03_09_en.pdf

8 Think Small First principles take account of SMEs' interests at the very early stages of policy making in order to make legislation more SME friendly. For further information see <http://ec.europa.eu/enterprise/policies/sme/small-business-act/think-small-first/>

refurbish, modernise, expand and equip the facilities of our fruit processing plant in the small town of Zagłoba. This was needed to help achieve our company's strategic objective of becoming a leading producer of fruit and vegetable concentrates and purees in Poland."

Their modernisation plans were launched in 2007 and received the equivalent of €418 000 from the EAFRD (which covered around 25% of the total investment costs). The EU money was used to purchase and install an automated reception line for washing and peeling root vegetables, plus a new production line for packaging puree fruits and vegetables. A new cold storage facility was also built using EAFRD from Poland's RDP.

Mr Trojanowicz tells how the modernised food processing equipment works, "Our new puree extraction line is able to process up to four tonnes of various types of fruit, including apples and red berries, as well as vegetables per hour. The line also offers aseptic filling and packing, which is essential for safe transport and storage without the need to keep the products chilled."

Production at the company has doubled since the new facilities became operational and their investments have contributed to increasing turnover by 20%.



© Sokpol Koncentraty

EAFRD is helping agri-food firms build their commercial potential and provide consumers with quality food products

Sustainable growth

Environmental issues are an important part of Sokpol's business growth plans for Mr Trojanowicz who highlights the firm's new organic and bio product ranges (not from concentrates) and points to their investments in modern waste management. "We have our own sewage plant and are the first in Poland to install and run a special membrane bioreactor, which guarantees high process efficiency".

Introducing advanced technologies have also enhanced the company's safety and hygiene conditions for its products and employees. Six new employment places were created as a result of the EAFRD project and another important outcome from the project is its knock-on benefits for farmers in the region.

"We are a good partner to work with and we have contracts with nearly 700, mostly local farmers that supply our fruit and vegetables", says Mr Trojanowicz who continues, "They value us because we buy more and we also buy many different types of produce. Wholesalers like us because we have high quality food products available throughout the whole year, not just in season".

Sokpol Koncentraty's new facilities and business growth are combining to provide higher and relatively stable demand for fruit and vegetable products from local farms. In doing so, this EAFRD food project is helping to strengthen supply chain links in Lubelskie Voivodship and consolidate the long-term development potential of the region's rural economy.

See the [company's website](#)⁹ for more information about this example of a modern EU agri-food business.

“ We wanted to embark on a major investment programme to refurbish, modernise, expand and equip the facilities of our fruit processing plant. ”

Piotr Trojanowicz,
Chairman of the Board of Sokpol Koncentraty

Resource-efficient food: energy and water savings lead to business benefits for Maltese mushroom farmer

Large amounts of energy, water and other resources are involved in putting food on our plates, and the EAFRD can help support rural businesses in their efforts to produce more environmentally friendly and resource-efficient food.



© Island Mushrooms Growers Ltd

6

'Resource efficiency' is a term that is used to describe environmentally sensitive approaches to development. In practice it means using resources sensibly to ensure that future generations are able to enjoy the same quality of life that we have now. Consequently, using resources efficiently makes sound long-term sense and this principle is an integral part of EU rural development policy.

Proposals put forward by the European Commission for *future funding of the Common Agricultural Policy (CAP)*¹⁰ underline the importance of such sustainable development approaches. Goals regarding this new round of EU funding for agriculture and rural development include references to a *resource-efficient CAP*¹¹, and the EAFRD is able to help food producers in Member States improve their overall environmental performance.

Decreasing the amount of energy and water that is consumed during food production are two useful ways in which the EAFRD can be used to increase resource efficiency. When rural food businesses use less energy and reduce their water consumption they not only create environmental benefits but they also save on their energy and water bills. A resource-efficient agriculture is thus likely to be a more competitive agriculture and this is another fundamental goal for the EAFRD.

Maltese experiences

Supplies of water and energy can be limited and relatively expensive in island areas. Hence, resource-efficient approaches to food production here can create numerous benefits. Experiences from a mushroom farm in Malta demonstrate how the EAFRD is being used to reduce resource consumption and reinforce business competitiveness.

Island Mushrooms Growers Ltd. is one of the major mushroom producers in the Maltese Islands cultivating 400 tonnes of, mainly Champignon but also Portobello and Oyster, mushrooms each year. The business is heavily reliant on its ability to create a consistent micro-climate in its mushroom sheds, since this is necessary to maximise the quality and quantity of crops. Water and energy (through air conditioning and cooling control systems) are the main resources involved in managing the mushrooms' micro-climate.

Frank Xerri, Director of Island Mushrooms Growers Ltd., explains that, "Temperature control is very important in mushroom cultivation and therefore extensive cooling is required. Before our EAFRD project, the mushroom cultivation process was a very labour intensive one and required the management of environmental conditions in growing areas."

10 See http://ec.europa.eu/agriculture/cap-post-2013/legal-proposals/com627/627_en.pdf

11 See section 5.4 of http://ec.europa.eu/budget/library/biblio/documents/fin_fw1420/MFF_COM-2011-500_Part_I_en.pdf

EU consumers like environmentally friendly food

“Conventional cooling systems consume a lot of energy and water, which has a high cost for the business. We wanted to find a way of making savings on our expenses by investing in modern equipment that can allow us to produce food for our customers at lower costs”. The solution came in a new automated cooling technology that was more resource-efficient than the company’s previous system.

No technology of this type existed in Malta and so the EAFRD project has helped introduce an innovation that offers useful demonstration value for other food producers on the islands who might be interested in modernising their cooling systems.

Mr Xerri highlights the potential benefits saying, “By installing modern cooling systems which use up less energy and water this project helped us to reduce our production costs substantially, making our mushrooms more competitive on the market.”

EAFRD results

Total costs for the investment summed to around €307 000 and the EAFRD provided a grant of €112 500 for this food project.

Results have fulfilled the company’s aims for the project. “The quality of the end product has improved resulting in the production of healthier mushrooms and the mushroom cultivation process has become more efficient, using fewer

natural resources through a reduction in electricity and water consumption. In fact, this cooling and climate control system saves 15 litres of water per minute compared to the previous water-cooled system”, says Mr Xerri.

In addition to these positive environmental and business impacts, the technology used in the new cooling system runs on eco-friendly refrigerants. This helps to further support the resource efficiency of Malta’s food production sector.

More information about this EAFRD food project is available from [Malta’s National Rural Network](#)¹², and detailed coverage of the EU’s resource efficiency activities is available [on-line](#)¹³.

“ By installing modern cooling systems which use up less energy and water this project helped us to reduce our production costs substantially, making our mushrooms more competitive on the market. ”

Frank Xerri,
Director of Island Mushrooms Growers Ltd



12 www.mrra.gov.mt/ma

13 <http://ec.europa.eu/resource-efficient-europe>

Local food promotion: green gastronomy guide supports sustainable business growth in rural France

Strengthening links between suppliers and consumers of local food products can provide positive rural development outcomes. Experience from EAFRD projects involved in supporting local food chains indicates that cooperation between rural businesses can create new opportunities with sustainable benefits.

Food's important role in EU rural development is highlighted by the European Commission in its *policy emphasis on promotion of farm products*¹⁴. Proposals to update this policy were put forward in 2011, which draw attention to the fact that the, "EU has a culinary heritage of great diversity that should be exploited to the full." Partnership approaches for strengthening regional and local food markets are underlined in the EU Green Paper proposals which note how *Leader*¹⁵ rural development methods can offer constructive benefits.

Leader methodologies provide a useful incentive for encouraging different types of rural businesses to explore new ways of working together in order to gain synergies and mutual development benefits. France's Loire Valley Touraine Department has been the location for such a Leader-led food cooperation approach. Here, opportunities from collaboration between food businesses, rural tourism operators and local residents were supported by the region's Pays Loire Nature Leader Local Action Group (LAG).

Leader financial assistance from the EAFRD was provided by the LAG to the Indre-et-Loire Chamber of Trades & Crafts and Chamber of Agriculture for their local food project. This EAFRD initiative was based around expanding the market share for

local food products and strengthening the area's tourist appeal as a venue for high quality gastronomy. Other objectives of the project involved encouraging environmentally sensitive, '*Green Growth*¹⁶' approaches that could be achieved through increasing supply, demand and consumption of local produce.

Raising awareness

Various inter-linked actions have been carried out by the project since it started in 2008. These focus on encouraging local people and visitors to buy and eat local produce. Awareness raising events have been organised to explain how, where and why to buy local seasonal produce. During these events the quality of local products has been promoted; tasting and cooking sessions were organised; and consumers also received advice regarding how to interpret the different information on local food product labels.

Information about the environmental benefits from buying local foods was another key message publicised by the EAFRD project. Consumers were told about how using local food helps to reduce energy requirements in production and storage stages, create less transport problems, and lead to lower greenhouse gas emissions.



© Pays Loire Nature

14 http://ec.europa.eu/agriculture/promotion/index_en.htm

15 http://enrd.ec.europa.eu/app_templates/filedownload.cfm?id=C2098A13-A094-502B-81FA-4C9E46AB658D

16 http://enrd.ec.europa.eu/app_templates/filedownload.cfm?id=1E3FB071-FDE1-EF4F-346E-0B70D68F67B2

Some €18 483 of EAFRD support was provided by the LAG for the package of inter-linked awareness raising measures. Much of the funding was used to produce a 'Green Gastronomy Guide'. This was distributed at the project events and widely disseminated to businesses and communities in the LAG area.

Gastronomy guide

Containing information about the ecological reasons to consume local food, explanations of what local food is available to buy at different times of the year, a directory of local food suppliers and recipes of regional dishes, the Leader-funded guide has been extremely popular. Aurore Bailly from the LAG describes that, "In 2009 the first edition of the guide was printed. It did not take long for these 15 000 copies to be used and in 2011 a second edition is being published which will involve 30 000 copies."

Nearly 50 different local food businesses are now cooperating in the second edition of the gastronomy guide project which has had a positive impact on local food supply chains. Ms Bailly notes that, "Due to the Leader guide, residents and visitors now know where to get local seasonal food and many people have discovered for the first time that they can buy food directly from producers located very near them." She is also pleased to say that the guide's success has been picked up by other parts of the France's Loire Valley Touraine Department which are interested in running similar rural development projects.

Wider results

Outcomes from this local food project have helped to underpin core elements of the rural economy in sustainable ways. By working together, businesses participating in the Leader project have found new ways of selling more of their products and attracting new types of customers. Stronger connections have been established between local agricultural, tourism and food supply sectors. This networking has built the different partners' capacities to find direct links with producers and consumers through local outlets.

In addition, the region's culinary skills have been expanded and promoted widely, thus improving the areas reputation for traditional

17 www.paysloirenature.fr

18 <http://issuu.com/cm37/docs/guidegastronomie>

Local food projects can include various inter-linked actions targeting common goals

and quality gastronomic products. This has led to greater recognition of local gastronomic specialities and is providing a mechanism for both attracting and retaining visitors in the LAG area.

Consumption of local food products during the project has also reduced food transport which creates economic, environmental and social benefits such as transport cost savings, fewer emissions, less wear and tear on rural roads, reduced traffic congestion and associated improved road safety.



9

Further information about this local food promotion project is available from the [Pays Loire Nature LAG](#)¹⁷ and the guide can be found on-line [here](#)¹⁸.

“ *People have discovered for the first time that they can buy food directly from producers located very near them.* ”

Aurore Bailly, Pays Loire Nature LAG

Animal-welfare friendly food: EAFRD improves quality of life for cattle in the Czech Republic

More space, better conditions, greater freedom and less stress for animals are all acknowledged as success factors involved in producing quality foods from livestock, and the EAFRD can sponsor such welfare development projects through the RDPs.



© Agrofyto spol. s r.o.

Animal welfare is a high priority for the EU which, as part of its food and agricultural policies, continues to support Member State commitments to improve the welfare of farmed animals. These actions reflect strong public opinion among EU citizens about the importance of safeguarding health and welfare standards for animals.

*Survey findings*¹⁹ by the EU on this topic indicate that most citizens feel standards are improving and that farmers are considered to be best placed to ensure these welfare improvements. In addition, the majority of people responding to the EU-wide poll agreed with the principle that financial compensation should be used to help food producers improve welfare standards for farm animals.

Support from the EAFRD is available for helping farmers provide animal-welfare friendly farming systems. Such assistance complements work underway with a new *EU Strategy for Protection and Welfare of Animals (2011 – 2015)*²⁰.

Current EU activities in the field of welfare friendly food are diverse and include interesting information campaigns like a multi-lingual on-line '*farmland*'²¹ game for children (which aims to increase understanding about the welfare needs of farm animals). Farmers themselves are also provided with advice about welfare standards and the commercial benefits that can be gained by taking good care of the animals they rear. An

example of such on-farm action can be found in the east of the Czech Republic, where the EAFRD has helped a beef and dairy farm become more competitive by improving conditions for its cattle.

Infrastructure improvements

Mountains are a feature of the Vsetin district landscape and the area's topography can limit commercial productivity of farmland to livestock production. This was the case for the Agrofyto farm business which had traditionally raised beef and recently also diversified into a dairy herd. In order to help generate additional revenue streams and better protect the viability of the farm, a decision was taken to further diversify into the production of suckler calves.

Suckler cows are cattle that are kept primarily to produce calves. Sucklers (as they are often referred to) raise their calves on their own milk and so need to be provided with good conditions to produce milk all year round. Winters in the Vsetin district can be harsh requiring cattle to be kept indoors. Space was thus identified in an old cowshed on the Agrofyto farm for the new suckler herd but the sheds needed upgrading to meet the appropriate welfare standards for calf rearing.

A grant of €104 600 from the EAFRD was used to improve the livestock infrastructure and Ludmila Muzikovska, Managing

19 http://ec.europa.eu/public_opinion/archives/ebs/ebs_270_en.pdf

20 http://ec.europa.eu/food/animal/welfare/actionplan/actionplan_en.htm

21 www.farmland-thegame.eu

Director for Crop Production from Agrofyto refers to how, “The new facilities improved the welfare of our cattle significantly because due to the new built infrastructure we could introduce a ‘loose’ housing system. This provides more comfort for animals and can improve production and welfare. It is more natural, animals are not in stress and they have more space to move. They can even go outside when they want to. In general they feel comfortable. We believe that this results in milk and meat with better quality and taste.”

Different costs were co-financed by the EAFRD grant and these covered preparatory work like business planning inputs from agri-food experts and advisory service support for clarifying project details. The largest part of the costs (over 80%) was associated with the demolition of the old cowshed and construction, plus fitting-out, of modern welfare friendly livestock infrastructure.

Ms Muzikovska is proud of the new suckler unit which she says, “Has created enough space for 133 calves. The quality of the barn makes a big difference to our farm business because it means we can become certified as an ecological food producer. High animal welfare standards are a pre-condition for getting this certificate.”

Higher welfare standards can provide competitive advantages for livestock producers

Welfare benefits

Two other local farms have also now begun implementing similar activities to improve welfare conditions for their cattle. RDP projects like the Agrofyto example can therefore help stimulate more farmers to adopt animal welfare improvements.

Higher standards are already paying off for Agrofyto and the farm has recorded a decline in cattle mortality of 2% (3 cows) per year. This is estimated to be equivalent to an annual saving of €1730, which is a significant sum for the average agri-food businesses in Vsetin district. Other economic benefits stemming from the EAFRD project’s improved animal welfare standards include additional annual turnover from cattle sales of more than €17 000 per year.

Results of increased revenues from the welfare friendly farm unit have protected jobs for 19 employees at Agrofyto and new income is also now expected. “We have been working with the Hornolidečska Leader Local Action Group on new marketing developments and we hope soon to be starting more direct selling approaches for our products” predicts Ms Muzikovska.

Further information about this EAFRD food project example can be found through the company’s website www.agrofyto.cz.

“ The quality of the barn makes a big difference to our farm business because it means we can become certified as an ecological food producer. ”

Ludmila Muzikovska,
Managing Director for Crop Production at Agrofyto



Quality counts: Spanish business incubator helps new wine enterprises to achieve quality standards

Europe's food and drink sector can compete on the basis of quality. Financial assistance through the EAFRD is designed to support the efforts and initiative of rural entrepreneurs in producing quality food and drink products.

Globalisation trends mean that the EU food and drink sector has to compete increasingly with a plethora of different products from external markets. Food and drink from all around the world are now common-place in our supermarkets, grocers, restaurants and cafeterias. This diversity is good for consumers but it can create challenges for EU producers who need to work hard to retain their market positions.

Quality has been shown to be an effective tool for helping Member States' food and drink businesses to maintain and increase sales. Providing a high level of quality and advertising the quality of products can encourage customers to purchase a product. Consumer recognition of a product's quality can assist customer loyalty and so the competitiveness of a business.

EAFRD support is involved with different types of quality-based projects in the EU's food and drink sector. These projects focus on actions that improve, sustain or promote the quality of local and regional products. They are supported by a set of policy initiatives at EU level to provide a consistent approach for defining EU quality standards and advertising them.

A '*Quality Package 2010*'²² proposed by the European Commission puts in place for the first time a comprehensive policy on certification schemes, value adding terms for agricultural product qualities, and product standards, covering the different facets of quality, from the compliance with minimum standards to the production of highly specific products.

22 http://ec.europa.eu/agriculture/quality/policy/quality-package-2010/index_en.htm

23 <http://ec.europa.eu/agriculture/quality/door/list.html>



© Viver de Celleristes

Labels for EU products defined as being organic, or from a particular region (Protected Designation of Origin - PDO and Protected Geographical Indication – PGI), or which employ traditional techniques (Traditional Specialty Guaranteed -TSG) are used to authenticate such quality characteristics.

*Over 1000 agricultural products are registered*²³ in the EU with these certification labels which provide quality assurances to customers and prevent fraud. The Quality Package encourages greater uptake of EU certification labels and an EAFRD project from Catalonia in Spain has been pro-actively promoting this cause in the region's wine sector.

Quality wine

European wines are famous for quality and wine reputations are often associated with their place of origin. Catalonia's Barberà de la Conca region is known for its white wines and cava which favour the local area's dark lime bearing soils. The town of Barberà set up Spain's first cooperative winery over 100 years ago and now the EAFRD is helping continue this collaborative tradition through an open-access business incubator which helps young wine companies to get a foothold in the viticulture sector.

Jordi París from the Vivero de Celleristes incubator highlights the eligibility criteria for entrepreneurs wanting to make use of the incubator facilities and its support. "The quality of wines in

Barberà de la Conca is certified under the EU's PDO labelling scheme. Our job involves making sure the region is able to preserve this quality standard and also build on its standing as a source of quality products. All of the wine businesses that we work with need to be producing wine that complies with the Conca de Barberà certification standard. Much of our time at the incubator is spent showing companies how to make their wine reach the required quality level!"

Housed in renovated premises of the original Barberà de la Conca Agricultural Cooperative Society, the EAFRD incubator is equipped with all the technology that a wine entrepreneur needs to get started in business. The incubator offers use of its facilities at low cost as an incentive to reduce the risks involved in start-up investments. Business planning and other associated professional skills like internet marketing and direct sales techniques are also available as capacity building services for users of the incubator.

Mr París explains further, "In order to create a winery, significant investment is required of up to €300 000. This can be an impossible obstacle for wine entrepreneurs hoping to start their own business. With help from the EAFRD we have purchased enough equipment so that six entrepreneurs are able to use the incubator facility at the same time."



© Viver de Celleristes

The EU's certification labels assure the quality of food and drink products for consumers

"We offer five years of start-up assistance at the incubator for new wineries. Our services have been popular and we are in the process of expanding to provide space for up to 10 wine entrepreneurs in a second phase of the incubator." Costs for the incubator's two phases amount to €800 000 and EAFRD from Cataluña's RDP contributed around 26% of this total investment.

Success story

Phase two of the EAFRD project was based on the success of the initial phase in helping rural entrepreneurs establish winery businesses. One of these is the Carlania Celler winery which is run by Jordi Miró and Sònia Gomà-Camps.

They started their original winery at home and moved to the incubator for a two year commercialisation period. The incubator provided them with the start-up support they needed and they have now developed their own independent winery selling products made from organic vineyards.

In referring to the support provided for their business from the incubator, Mr Miró says, "The essential benefit for us was the facility's low cost which allowed us to bring our product to the market. Had we not had this initial opportunity we would not have been able to launch our products on the market in the same way that we have done."

See the [Vivero de Cellaristes incubator website](http://viverdecelleristes.concadebarbera.cat)²⁴ for more information about this successful EAFRD project example.

“ Our services have been popular and we are in the process of expanding to offer space for up to 10 wine entrepreneurs in a second phase of the incubator. ”

Jordi París, Vivero de Cellaristes

Safeguarding future food supplies: EAFRD invests in Bulgaria's next generation of food producers

Young farmers represent the future of food production in Europe and the EU's rural development policy recognises this important reality. EAFRD is available to improve the age-balance of workers in our agricultural sector and invest in the younger generation of farmers.



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EUROSTAT figures published by the *European Council of Young Farmers (CEJA)*²⁵ in 2011 reveal that only 7% of farmers are under the age of 35 on average in the EU. CEJA also estimates that a third of EU farmers are over 65 years old.

An aging population in the countryside not only poses potential challenges for future food supplies. Other socio-economic as well as environmental problems (like increased health care costs or loss of habitats following land abandonment) can be attributed to the current demographic imbalance that exists in many rural areas. Common policy solutions are therefore needed to address this problem and special forms of incentives from the EAFRD are ring-fenced to help young farmers set up and manage rural businesses. This type of EAFRD project activity also supports young farmers' investment needs by providing higher amounts of financial assistance.

Such RDP funding aims to bring out the best in young agri-entrepreneurs, who are viewed as a significant asset by the EU and its Member States. Young food producers for example can be highly dynamic and innovative in their approach to business. They are often interested in testing new ideas, trying out research and tend to be better equipped with modern technological skills than older generations of farmers.

Hence, agriculture can be a big opportunity for young food producers, who can make good careers in the sector if they receive the right type of encouragement at an early stage.

Starting up in business can be daunting though, especially so in farming where considerable outlays may be required to invest in land, equipment or facilities. The money from the EAFRD that is ring-fenced in the RDPs for young farmers is used to help offset the costs of such capital. The overall aim being to help safeguard the future of EU foods supplies, plus the countryside in general.

A young farmer from near Sliven in Bulgaria demonstrates how EAFRD assistance has played a key role in helping him to set up and develop his own small farm business.

Young farmer support

Renting land from his family allowed Krasimir Hristov Krastev to start his own small-scale farm business, which grows mainly fruits, grains and now almonds. A package of EAFRD support (made up from several different budgets in the Bulgarian RDP) was also instrumental in helping establish Mr Krastev's fledgling food business. The package, totalling €27 250, was used to pay for training, advisory service inputs and investments in on-farm developments.

"My RDP funding helped me to create a new almond tree plantation which covers around 1.8 hectares and this will increase the income potential for my new business" says Mr Krastev who continues, "I was also able to use the grant to buy new cultivation equipment, a tractor and sprayer for plant protection".

25 <http://ceja.eu/en/about/what-is-ceja>

Specialist rural development advisory services provided guidance to Mr Krastev during his business planning work for the new almond venture. The experience of these local government advisors was extremely useful for steering him in the right direction for elaborating the content of a feasible business plan that aims to transform his small farm into a fully commercial food enterprise.

New skills in modern food production techniques formed part of the business plan and, using assistance from the EAFRD, Mr Krastev studied 150 hours of training. His skills programme took in topics such as how to use technology to ensure compliance with EU standards on phytosanitary requirements and also how to produce his food crops in environmentally sensitive ways.

“Thanks to the advice and training I received I now have new ideas about how I can grow quality crops that are good for my

Future food supplies in Europe are dependent on the next generation of food producers

land and profit-margins. I am using this new knowledge for not just the almond plantation, which I expect to start generating revenue in about two years time, but also for my other crops like the five tonnes of peaches which I am harvesting to sell to a local processing plant,” says Mr Krastev.

He retains a positive and upbeat outlook for the future for his business noting that, “I am keeping a close eye on what works well to support my new business expansion into almond production and I hope to be in a position later on to rent new land that will extend my production amounts even further.”



“ Thanks to the advice and training I received I now have new ideas about how I can grow quality crops that are good for my land and profit-margins. ”

Krasimir Hristov Krastev

© Krasimir Hristov Krastev

Dairy sector support: EAFRD project at family run cheese plant in Cyprus creates jobs and safeguards demand for local milk supplies

Europe's dairy sector provides us with important nutrition and the sector is currently in a period of change which the EAFRD is helping to facilitate through actions that build the capacity of dairy businesses to compete more effectively in global market places.

Dairy products like milk, cheese and yoghurt play key roles in a healthy, balanced diet. Milk and milk products are rich in many kinds of vitamins, carbohydrates and minerals. Hence, EU public awareness campaigns (such as the *School Milk scheme*²⁶ for example) actively promote demand for wholesome dairy products.

Ensuring a regular supply of high quality and safe milk has also been important for the EU, which through the CAP has provided support for dairy producers in Member States. Dairy sector assistance from the CAP is currently in a process of change. Results of this transition will see market-forces becoming more influential in the supply and demand of milk. Producers and processors of milk are all affected by the changes.

Competitiveness is already an important business attribute for those involved in the dairy sector, and the EU continues to back Member State activity that finds new ways of helping milk firms to compete effectively. A recent example of this is a *'Milk Package'*²⁷ of legal guidance from the European Commission which sets out, "to boost the position of the dairy producer in the dairy supply chain and prepare the sector for a more market oriented and sustainable future."

Building strong relationships between the different businesses in the supply chain is essential for modernising the dairy sector and assisting its overall competitiveness. Other types of

modernisation measures are also needed to facilitate a smooth transition to market orientation. These are required from both farmers and dairies.

An example of the latter is typified by a family-owned dairy business on Cyprus which has used EAFRD to upgrade its capacity to compete. 'Win-win' results of the EAFRD project not only provide direct benefits for the Cypriot dairy, but indirectly the EAFRD has also helped to safeguard the security of a long-term sales point for local milk producers.

Dairy developments

Run by the Petrou family, the Alambra dairy specialises in producing traditional Cypriot cheese products such as Halloumi, Feta and Anari. Yoghurts and Trahanas soups are also produced. Most (80%) of the dairy's market is international, comprising customers in other EU Member States as well as Australia and the Middle East.

A steady growth in demand for the Alambra products allowed the company to decide in 2009 to upscale and they did this through an EAFRD grant from the Cypriot RDP. Yiorgos Petrou, General Manager and owner at the family firm describes how, "In March 2009, due to the increase in productivity, we moved to our top of the line factory, which covers 2200m² and is the most modern and biggest factory of its kind in Cyprus."



© Alambra dairy

26 http://ec.europa.eu/agriculture/drinkitup/index_en.htm

27 http://ec.europa.eu/agriculture/milk/index_en.htm

EAFRD support was used to cover the costs of relocating the dairy business to its new purpose-built milk processing premises and installing modern equipment for managing the quality and safety of Alambra food products. Some €2.1 million of EAFRD assistance from the Cypriot RDP was awarded for the project.

Direct outcomes from this EAFRD investment support have been impressive and contributed to improved production with turnover increasing in 2010 by up to 40%. During the same period, supplies of dairy products to export markets increased by as much as 28%, and sales in Cyprus rose by 25%.

In total, the dairy now buys around 10 million litres of milk from local cattle farmers each year, plus about one million litres of sheep and goat milk products. Mr Petrou is satisfied that his family's EAFRD project has also helped Cypriot milk producers and he notes, "We are now buying 40% more milk from local farmers following our business expansion project."

He goes on to say, "In addition we are also providing an improved service to our customers because our increased capacity means we have been able to diversify and expand our product range. We have recently launched three new products – a grated form of Halloumi for pasta, and three premium Halloumis mixed with pepper, basil, and chilli.

Other developments resulting from the new equipment purchased with EAFRD support have, in Mr Petrou's words, "Led to an increase in productivity which has helped greatly to improve the quality of our systems. We have now been awarded certificates from the International Food Standards and the British Retail Consortium's Global Standards for Food"

EAFRD is available to help the EU's dairy sector to become better adapted to market forces

Reflecting on the difference that the EAFRD grant has made to his company's development, Mr Petrou believes, "The new equipment and new dairy factory have led to many advantages. The factory can now be compared to many of its competitors. It meets all quality and customer care requirements and can approach other large companies for collaboration. Our growth has created around 35 new jobs and we still remain very much a family business."

For further information, see the EAFRD beneficiary's website: www.petroubro.com

“ Business development grants from the EAFRD are very helpful for family businesses and SMEs like ours. ”

Yiorgos Petrou,
Alambra Dairy Production Manager



Direct sales: Italy's Baugiano Farm Oasis and youth White Bar

Short distribution channels in the food supply chain can increase income for producers through higher profit margins, generate greater autonomy for farmers, and foster customer loyalty by linking products to a local area shared by producers and consumers.



© Stefania Corrocher and Luca Benicchi

Italy is a country well known for the quality and diversity of its cuisine. Traditional foods and family recipes form an integral part of national culture. Preservation of these food values is important to many Italians (as it is for other Europeans as well) and in recent years the concept of 'slow food' has emerged as a means of countering the growth of 'fast food' outlets in Italy. The *slow food movement*²⁸ has now spread from Italy around the globe and it attracts interest from a wide cross-section of both food professionals and consumers.

Inventing ideas like slow food demonstrate Italy's strength of commitment to its food sector and the country's National Rural Network (NRN) has been involved with other NRNs in a joint ENRD project based on supporting rural businesses involved in the food supply chain. This work is part of an NRN thematic initiative exploring the rural development benefits available from 'short-supply chains'.

For example, reducing the number of businesses involved in a supply chain between the producer of a raw material and the final customer can increase the share of the final price received by those involved. Fewer links can also provide cost savings for customers and makes it easier for everyone to know where the raw materials come from.

As part of the ENRD joint project, a *study*²⁹ was carried by Italy's NRN to provide baseline information about short-supply chains in the nation's food sector. Findings from the study defined how

these chains function, what challenges they face and what type of support they need to operate effectively.

Financial measures in the EAFRD's support toolkit contain options for facilitating short-supply chains in the EU food sector. Direct sales (from original producer to final customer) are the shortest supply chains and an EAFRD project example from Italy offers some interesting insight into how farms can develop novel techniques for selling their food products direct to consumers.

Baugiano Farm Oasis

Stefania Corrocher and Luca Benicchi are the owners of Baugiano Farm Oasis, an organic farm and agri-tourism centre. Their farm also runs educational packages for children and incorporates *social farming services*³⁰ through an employment programme for people with disabilities. Operating on a socially inclusive basis, the Baugiano Farm Oasis encourages greater interaction between agriculture and its customer base. Outcomes aim to improve understanding about the needs and interests of both parties.

To do this the farm had been developing a diversified structure covering different agricultural sectors and EAFRD support was used recently to establish a dairy enterprise. A grant of €18 000 from the EAFRD helped the farm purchase milk processing equipment and solar panels to generate power for the dairy

28 www.slowfood.com

29 http://enrd.ec.europa.eu/app_templates/filedownload.cfm?id=BAA4B613-92C1-DBB4-997B-7BFAFFA031CC

30 http://enrd.ec.europa.eu/national-rural-networks/joint-nrn-activities/nrn-social-farming-thematic-initiative_en/en/nrn-social-farming-thematic-initiative_home_en.cfm

unit. Luca Benicchi appreciates the EU funding saying, “The money from the Rural Development Programme proved very important because we couldn’t afford to make the full investments on our own and the grant made it possible for us to launch our new dairy venture.”

Products from the dairy are sold through the farm’s direct sales channels, which include a retail outlet that is run by school pupils. This ‘White Bar’ is managed by 20 children aged between 11 and 16. The young food marketeers come from the local area and also from nationwide pupils staying on the farm for education activities. Stefania Corrocher explains that, “We wanted to get the younger generation involved in food production and also give them experience of a real life rural entrepreneurial project. We have done this in partnership with Coldiretti, the office of our local farmers’ organisations.”

Direct sales from the innovative short-supply chain technique are growing and the children sell over 2000 units of their ‘Campagna Amica’ (friendly-countryside) yoghurt each month to local school canteens.

White Bar products are now also being marketed direct to customers at local village markets. Organic produce from the farm like olive oil, bread, potatoes, honey, and chestnut flour are also sold at the White Bar’s market stall.

Short-supply chains can create mutual benefits for food producers and consumers

Future developments

By taking the time and ingenuity to reach out and try new ways of interacting with a customer base, the Baugiano Farm Oasis is showing that this approach can yield successes. Tangible evidence comes in the form of their yoghurt contract with the education authority and the support they receive from the children’s families is another good indicator of the project’s appeal.

Spurred on by the results of their EAFRD-assisted diversification into dairy marketing, the farm has new plans for further developments that will extend their direct sales potential. “Over the next few months we want to open a new White Bar in the centre of Florence. It will be located in a book shop and should attract a new group of people to get involved with our organic food business.”

More information about the Baugiano Farm Oasis can be found on-line at www.baugiano.it and the children’s White Bar has its own website at www.latteriaideiragazzi.it



“ We wanted to get the younger generation involved in food production and also give them experience of a real life rural entrepreneurial project. ”

Stefania Corrocher, Baugiano Farm Oasis

Rural food networks: Swedish community benefits from coordinated food project developments

Farmer markets, picnic food baskets and sustainability studies are among the ingredients of an award-winning local food network in Sweden which shows how EAFRD support can be used productively on a territorial scale to assist rural food firms.



© Marie Eriandsson

Other articles in this series of EAFRD food project examples have noted the benefits of rural development tools such as direct sales techniques, quality certification schemes and local food marketing. These reflect some of the policy thinking behind EU proposals for helping Member States to promote the *tastes of Europe*³¹. Territorial approaches are considered valuable by the EU as part of this policy because multiple benefits can be gained from coordinating regional or district efforts to increase direct sales of quality products and localise food consumption patterns.

EAFRD from Sweden's RDP is being used for this purpose by a community-based rural food network project. The idea for the project came from food producers in Svartådalén (where *Leader*³² methodologies have been successful in encouraging local people to talk to each other and discuss ideas about how they could work together to develop their area's potential).

Starting out as one of the RDP's early projects in 2007, this LoMiS (translated to Local cuisine In Svartådalén) scheme was backed by the district municipality and received an EAFRD grant equivalent to approximately €120 000. Useful financial contributions were also secured from the World Wide Fund for Nature (WWF) for the project, which has been managed as an environmental initiative (facilitating organic systems, reduced transport and sustainable development) as well as a local food network.

Coordinated developments

LoMiS made good use of its money which was spent on a coordinated collection of smaller sub projects within the municipality's territory. Much of the costs have gone into activities that are increasing demand for local food (from local food consumers). For example, kitchen facilities for rural communities in schools and retirement homes from this part of central Sweden have been reintroduced and expanded. The new and upgraded rural kitchens mean that local food can now be prepared and served on-site to replace imported frozen meals.

Demand for local produce was further improved following a programme of information events and outdoor cooking shows. These were organised to increase appreciation among residents, school pupils and businesses about how to use local foods and enjoy the tastes of their own countryside. Training courses in topics like organic production systems and small-scale slaughter houses have also proven popular and effective at increasing the range of local organic food that can be consumed in Svartådalén.

A success factor behind the EAFRD project's multiple outcomes is the use of a dedicated project coordinator. She, Lisa Hallin, has been able to spend the time required to supervise, stimulate and steer the project's different components.

31 http://ec.europa.eu/agriculture/promotion/policy/green-paper/com2011-436_en.pdf

32 http://enrd.ec.europa.eu/app_templates/filedownload.cfm?id=C2098A13-A094-502B-81FA-4C9E46AB658D

Ms Hallin points to the importance of involving local businesses in the project in order to further expand the demand for, and supply of, local food products. "To facilitate the marketing of products, we have formed a producer network which makes it easier for shops and restaurants to find them and get in touch", says Ms Hallin who continues, "Some producers have worked together before the project started and others have joined during the project. You can see the mix of enterprises involved if you look on our website's *Eat, Shop, Service*³³ section. These rural businesses range from people offering picnic baskets containing local foods to those selling beef or deer meat products direct to customers from their farms."

Partners in the project knew that they needed to take a long-term perspective based on a step by step approach to boost local food consumption throughout the territory. Increasing the supply of local products at rural markets and other retail outlets was identified as a crucial step and LoMiS has achieved this aim.

Ms Hallin happily reports that, "Members of our project's producer group now regularly attend markets in Sala as well as other settlements like Färnbomarken, Skultuna and Sätträbrunn. A new delicatessen is due to open in Sala which will also stock local products in their range, and more of our producers are investing in their own farm shop services. Much of what has happened recently is the result of the initial work done by LoMiS, and what we are seeing now we are secondary effects that spread like ripples on the water."

Next steps

Future aims for the LoMiS network are exploring options to assess how local producers might win more public procurements contracts for food supplies. "Our children and the elderly should get good ingredients in their food that comes from the local area", advocates Ms Hallin.

Other long-term objectives for the EAFRD project are building momentum for greater integration of environmental sustainability into the territory's food network. Studies have been co-financed by the RDP funds to clarify what can be done to harmonise and strengthen ecological and socio-economic effects

33 www.svartadalen.nu/index.php/load/page/Ata_handla_service

34 www.iso.org/iso/hot_topics/hot_topics_sustainable_development.htm

35 www.landsbygdsnatverket.se/download/18.4ef62786124a59a20bf80004065/Broschyr_GB_091110.pdf

36 www.landsbygdsnatverket.se/otherlanguages.4.4b2051c513030542a92800010563.html

EAFRD can co-finance territorial approaches that encourage supply and demand for rural food products



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21

of local food production. The intention is to find a balance that benefits businesses, maintains food supplies, looks after the countryside and creates 'green' credentials for the LoMiS territory. Interesting recommendations from the study include encouraging rural food producers to become approved by *international quality standards for sustainable development*³⁴.

LoMiS and its multi-faceted territorial outcomes was acknowledged by Sweden's NRN in 2009 with an award of the top prize in the '*Countryside Projects*³⁵ category.

Contact the Swedish NRN team³⁶ for more information about this EAFRD project example.

“ What we are seeing now we are secondary effects that spread like ripples on the water. ”

Lisa Hallin, LoMiS Project Coordinator

The European Network for Rural Development ONLINE

<http://enrd.ec.europa.eu/>

The screenshot shows the ENRD website interface. At the top, there's a navigation bar with links like Home, Policy in Action, Country, Themes, Leader, Networks & Networking, Publications & Media, Events & Meetings, and Info. Below this is a large map of Europe with country flags, titled 'Connect with EU'. To the right, there are sections for 'European Evaluation Network', 'Leader Gateway', and 'News'. The news section includes a headline about 'International Green Week in Berlin' and a date '24 February, 2012'. At the bottom, there are several columns of links and resources, including 'POLICY IN ACTION', 'NETWORKS & NETWORKING', and 'GENERAL INFO'.

We would like to hear your opinions about this ENRD publication. Please click [here](#)* to complete a short on-line evaluation form.

* <https://www.surveymonkey.com/s/Z5N2BNH>



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