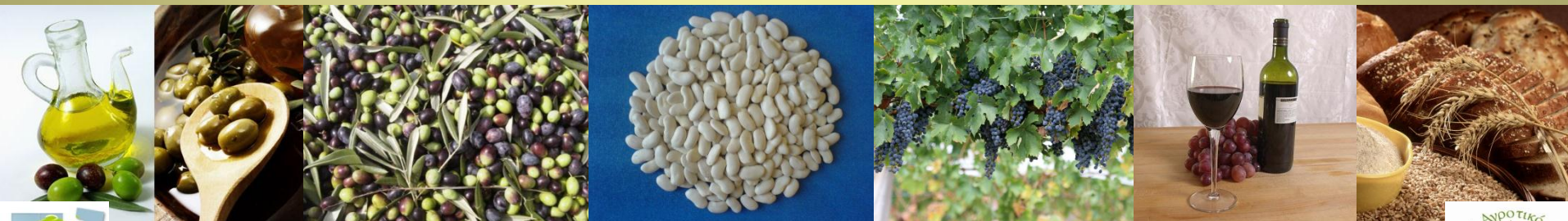


The implementation of rural development measures linked to quality products Measures 132, 133 and 123

Implementing Authority of Hellenic Rural Development
Program 2007-2013 (RDP) – B2 Unit
Presentation: Thanassis Theodoropoulos



Measure 132 - Participation of farmers in food quality schemes

Main points:

- Selected food quality schemes:
 - Community: organic farming
 - Recognised by the Member State – Greece: AGRO standard
- Eligible for support are new and current participants in quality schemes
- Support is granted for 5 years
- Maximum annual support per holding:
 - Organic farming: 1.800 €
 - AGRO 2 (agricultural production): 1.400 €
 - AGRO 3 (pork farming): 3.000 €
- Implementation start year 2009: 5.585 applications
- Beneficiaries: 2.759
- Accepted: 1.591 beneficiaries (711 organic farming – 880 AGRO), mainly olive, wine grapes, currants and sheep/goats

A few notes about AGRO standards

- Developed by Agrocert, the state supervisory authority for quality agricultural products.
- AGRO standards cover all requirements regarding public and animal health, environment and Good Agricultural and Environmental Condition provisions of Council Regulation (EC) No. 73/2009 (direct support schemes under CAP).
- Control and certification is carried out by independent private certification bodies, under supervision of Agrocert.
- AGRO 2.1 & AGRO 2.2. standards for Integrated Management System on agricultural production. It's a group certification concerning the production process.
- AGRO 3 series standards: Quality assurance of pork meat. Control and certification of the whole process from AGRO 3.1 – pork food, 3.2 – pork farming, 3.3 – slaughterhouse, 3.4 – meat processing, standardization, packaging, 3.5 – point of sale.

- Agricultural holdings applying Integrated Management System on agricultural production (AGRO standards), cover a land area of nearly 640.000 hectares (ha – 2011 data), out of which:
 - Wheat: 314.000 ha
 - Cotton: 143.000 ha
 - Olive trees: 125.000 ha
 - Vines (wine grapes, table grapes, currants): 2.500 ha
- Roughly 141.000 farmers are currently practicing AGRO standard rules in their holdings.
- AGRO labels



Organic farming in Greece

- Agricultural holdings applying organic farming cover a land area of nearly 160.000 hectares (2010 data) and steadily over 150.000 ha since 2006 and then.
 - Olive trees: 57.000 ha
 - Wheat: 19.000 ha
 - Vines (wine grapes, table grapes, currants): 5.000 ha
- Furthermore, 150.000 hectares of organic pasture land
- Organic animal farming: about 960.000 animals (over 50% of them being sheep and goats)
- Currently practicing organic agriculture:
 - About 21.500 agricultural holdings
 - About 1.500 processing companies

*Measure 132 implementation **positive** facts*

- Applications by farmers. Two or more individuals could apply as members of a non formal producer group (not to be confused with Producer groups implementing a plan to apply for recognition as a producer organization).
- Farmers motivated to form such groups (common quality scheme and technical assistance), in order to convert them to formal ones and apply for M133.
- Decentralisation: Control carried out by local authorities.
- Collection of applications by unit and advisory committee (composed of Implementing Authority, Ministry Organic Farming Unit and Agrocert officers) evaluation re-assessment, minimize misjudgments due to many different assessors.
- Set as eligible costs for use of software applications, necessary for supervision and farm data processing.
- Attract applicants from specialized producer groups such as Nileas (Cooperative of olive growers in Messinia with environmental and product quality certification) and Pelekanos (beans).

*Measure 132 implementation **negative** facts*

- Difficulties in evaluation of applicants in non formal producer groups (criteria related to processing/standardising capability of group and application proposal).
- Different level of expertise in local authorities. More training required.
- Low percentage of acceptance, mainly due to beneficiaries preferred the specific support, under Article 68 of Council Regulation (EC) No. 73/2009, granted to farmers producing quality products (PDO Protected Destination of Origin and PGI Protected Geographical Indication, applying organic farming or AGRO 2.1/2.2).

Measure 133 - Information and promotion activities

Measure 133 aims at providing adequate promotion and information to quality agricultural products, in order to expand both their consumption and their market possibilities.

- Applications will begin in February 2012.
- Maximum promotional budget is 100.000 € - Maximum support is 70.000 € depending on the group size.
- Motivation of groups through evaluation criteria to conduct market research and set realistic promotion budgets.
- Groups composed only of M132 beneficiaries is the main limitation of this measure.

Measure 123A - Adding Value to Agricultural Products

Measure 123 "Adding value to agricultural and forestry products" mainly aims at the modernisation of small and medium – sized enterprises (SME's) engaged in primary processing and trading of agricultural products. The main targets can be summarised as follows:

- Evolution of processing and technology in the food sector
- Improvement and development of infrastructures
- Improving overall enterprise performance
- Cooperation for development of new products
- Protection of agricultural environment and animals
- The overall budget of the Measure is 300.000.000 € (Public Expenditure) and up to now more than 600 investors expressed their interest and submitted a business plan.
- Indicatively, the measure intervenes in the following sectors of agricultural production: Meat, Milk, Eggs – Poultry, Cereals, Oil Products, Wine, Fruit and Vegetables, Honey etc.

- Relatively to the production of quality products, we can provide some examples of the intervention of the Measure 123A to specific sectors in order to support and enhance targeted production:
- Olive Oil Sector
 - Action 7.1 supports establishment of Oil mills which process organic raw material, located in mountainous and island areas.
 - Action 7.3 supports establishment, modernisation or merge of the olive oil standardization plants for the production of high-profile, quality and tradable packages to increase the product added-value.
 - The production of high-profile, quality and tradable packages of olive oil should be related to Community Regulation (EC) No 1019/02 and Ministerial Decision No 323902/18.09.09 of the Olive Division of the Hellenic Ministry of Rural Development & Food.

- Wine Sector
 - Action 8.1 supports the modernization of Wineries with or without relocation for the production of high – quality wine products.
 - Action 8.3 supports the establishment of modern Wineries which process grapes from organic farming and integrated management systems.
 - The production of high quality wines concerns Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) and organic farming raw material. To secure the wine production from organic farming raw material demanded from the enterprise / investment to show in Greek Authorities the properly documentation.
- In general, Measure 123A co-finances the implementation of international and National Quality Systems as HACCP & ISO, BRC & IFS, AGRO etc.

➤ *“How do we evaluate the added value that measure 123 gives to agricultural products?”*: added value of the measure is being monitored / calculated individually for every enterprise, by means of:

- Calculating and comparing Gross Added Value (GVA) just before the implementation and two years after the completion of the specific business plan.
- In order to calculate GVA of the supported enterprises, the following method / type is used:

$$\text{GVA} = \text{total output} - \text{total intermediate consumption}$$

Whereby:

- **total output** = value of sales + own use or consumption + balance of stocks
- **total intermediate consumption** = direct inputs: seed, plants, fertilizers, crop protection products animal feed, other specific costs (for crops, livestock, forestry or other) + overheads (i.e. costs linked to production activities, but not to specific lines of production): maintenance of buildings and machinery, energy, water insurances for buildings, other.

Thank you for your attention