

ITALY

Energy use efficiency

Location

Rome

Programming period

2014 – 2020

Priority

P5 - Resource efficiency & Climate

Measure

M04 – Investments in physical assets

Funding (EUR)

Total budget 1 562 688.88
RDP contrib. 838 344.25
Private 724 344.63

Project duration

2017 – 2019

Project promoter

Società Agricola Tenuta Cesarina Srl.

Contact

tenutacesarina@pec.it

Website

www.tenutacesarina.com/

Reconstruction plan for Protected Designation of Origin olive oil producers supported by Rural Development Programme (RDP) funding

Summary

The company Società Agricola Tenuta Cesarina Srl. is located in the Municipality of Rome within the Marcigliana Nature Reserve, a NATURA 2000 site.



The company set up the project to improve the quality and quantity of its production and become more competitive, while also preserving the attractiveness of the rural area where it is located. The restructuring plan included setting up a plantation of 15 hectares of traditional olive groves, building an oil mill, restoring the company's warehouse and constructing a cereal weighing machine and a handling yard. Two photovoltaic systems (41 kw and 15 kw respectively) were also set up.

Results

At the end of the company's restructuring plan, the company will have converted part of the arable crop production into olive groves.

The company expects its revenues to grow continuously and proportionally once the new olive plantation becomes productive, between 2019 and 2020.

It is envisaged that one new full-time job will be created to manage the oil mill starting in 2020.

Lessons & Recommendations

- ❑ The business plan allowed the company to be aware of the financial sustainability of the investment. In this process, monitoring indicators were used to keep track of the different phases of the intervention: ex-ante, on-going and ex-post.
- ❑ It was very important to adhere to a local production organisation and to assess the different typologies of technical monitoring systems investigated by the farm in collaboration with the phytosanitary regional services.
- ❑ The farm developed an agri-environmental portal based on a territorial monitoring network of olive pests, which allows the company to intervene only when it is actually needed, thereby reducing the need for synthetic products.

Context

The farm Società Agricola Tenuta Cesarina Srl. is located in the Municipality of Rome inside the Marcigliana Nature Reserve, a NATURA 2000 site. As such, the area is subject to landscape and archaeological restrictions.

The overall cadastral area of the farm is approximately 783 hectares. Of that, 650 Ha are owned by the company and the remaining land is under rent/loan agreements. The company cultivates herbaceous and arboreal crops. Specifically, 92.5% of the surface is covered by arable land, while the remaining land is divided into tree crops (7%) and meadows (0.5%).

The company has several buildings (warehouses, stables, houses, rooms for processing products, silos, etc.) as well as machines and equipment. The only cultivation operations carried out by contracting companies are threshing and harvesting with subsequent pressing of the straw.

From a financial point of view, the company's Total Standard Production is around EUR 730 000. The produce is sold to organic retail chains (NaturaSi for example and other major distribution channels).

In Italy, short supply chains are quite well developed. Some 270,000 farms (representing 26% of all farms) sell directly to consumers. There are also 1,367 Farmers' Markets, whose number increased by 44% in the last two years and 890 Solidarity buying groups.

In this context, the project was necessary to provide the basis for improving the quality and quantity of production which will be sold directly to customers and allow the company to become more competitive, while preserving the attractiveness of the rural area where it is located.

Objectives

The project aimed to help the company respond to the growing market demand for organic products. This involved changing its market by gradually moving towards a direct sales model (mainly for olive oil). The company's aim was to expand its product range by marketing different sizes of products targeted particularly to the catering sector.

Activities

The activities carried out include:

- setting up a plantation of 15 hectares of traditional olive trees (400 olive tree plants per hectare);
- building an oil mill;
- restoring the company's warehouse;
- constructing a cereal weighing machine and a handling yard;
- constructing two photovoltaic systems above the crusher and warehouse roof (41 kw and 15 kw respectively);
- constructing a road fence to prevent trampling damage caused by wild boars;
- purchasing machinery and equipment for the mill;
- purchasing agricultural machinery and equipment; and
- intangible investments - creating a commercial project.

The area dedicated to olive trees increased from approx. 50 Ha to about 65 Ha. This intervention, in conjunction with the gradual increase in production of the existing olive trees, made it possible to obtain an output volume in line with the design of the new mill.

The mill was set up on existing but disused premises; a former dairy from the company's previous livestock activity. The model chosen for the mill is of medium capacity (about 15 quintals/hour of olives) and has a modular structure that allows multiple batches to be dealt with simultaneously. The chosen bottling line is semi-automatic and sized for a production of between 80 000 to 90 000 packages per year. Milling and bottling by the company required the purchase of new tanks and a bottling plant. These drastically reduced the production costs while differentiating the packaging, hence, opening new commercial channels.

Photovoltaic systems were installed producing 41.6 and 15.6 kWp respectively. They were installed on the warehouse and on the crusher in order to reduce the company's energy costs. For these items, a request for RDP support was submitted under the Sub-measure 4.1. – 'Investments in individual farms for the supply/use of renewable energy sources, by-products, waste materials and residues and non-food raw materials'.

The construction of the fence is of fundamental importance for the increase in the company's production. In recent years, the company has been affected by incursions of wild boars that indirectly, by trampling, and directly, by feeding on crops, cause considerable economic damage.

The company invested in the fleet of machines to reduce production costs, such as buying a combine harvester to reduce contracting costs. To increase the company's environmental sustainability a machine to mechanically weeding of the olive grove was purchased.

Part of the machinery fleet is now obsolete, being inefficient both in terms of fuel consumption and greenhouse gas emissions. Over the next five years, the production forecast report shows an overall increase in the number of working hours of the machinery, which will require it to be scaled up overall.

The management of the company also decided to introduce innovations in production and processes. To this end, a meteorological station connected with a crop management software will be installed. The company is registered with www.agroambientelazio.it, a portal managed by the OP Latium (the Organisation of Olive Producers in LATIUM- the region around Rome) in collaboration with the CREA - Plant Pathology of the Ministry of Agriculture (MiPAAF) and under the supervision of the Regional Plant Protection Service of Lazio - Innovation in Agriculture. The collection of data (temperature, evapotranspiration humidity, etc.) in real time via remote GPRS connection, will allow the company to participate in the territorial monitoring network of olive pests, paying particular attention to the *Bactrocera olea* (olive fly) in a bid to rationalise phytosanitary treatments.

The corporate strategy for the next five year period also includes a restyling and a re-launch of the Società Agricola Tenuta Cesarina brand. This will be done through a promotional campaign, which will include the design of a new logo, a new website to convey the new corporate identity, a very active presence on social media, the participation in exhibitions and fairs, the creation of new signage, online advertising.

Main results

At the end of the company's restructuring plan, the company will have converted part of the arable crop production to tree crops (olive groves). It is expected that when the new olive grove will be in production, in the period between 2019 and 2021, the impact on the company's revenue will follow a constant and proportional growth.

The analysis of the current workforce has highlighted the need to increase the company's working hours. Therefore, the creation of a full time job, from 2020, is envisaged to manage the company oil mill.

Key lessons

This well planned project, accompanied by a detailed business plan, allowed the company to be secure about the financial sustainability of this project. The use of monitoring indicators is important, above all, for monitoring the different phases of the intervention: ex-ante, on-going and ex-post.

It was also very important to adhere to a local production organisation and to assess different typologies of technical monitoring systems identified by the farm, in collaboration with the phytosanitary regional service.

The farm developed an agri-environmental portal to use as a territorial monitoring network of olive pests. This allows the company to intervene only when necessary, thereby reducing the use of synthetic products.

Additional sources of information

n/a