



# Establishing an Operational Programme

Supporting Producer  
Organisations

## HANDBOOK

Agriculture  
and Rural  
Development

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# Foreword

There are 9.1 million farmers in the EU, many of whom work on relatively small and medium family farms which operate independently of each other. Around 72% of farmers in Europe manage less than 10 hectares of land. This often makes it difficult for farmers to resist shocks on their own, to invest, to access credit or to defend their interests when negotiating with other actors in the supply chain.

To strengthen the farmers position and to enhance their resilience and competitiveness, the EU supports farmers who wish to work together in producer organisations. Beyond resilience and competitiveness, producer organisations have many other benefits. For instance, by allowing farmers to invest in technologies they could not afford on their own, they can make their production more sustainable from an economic, a social and/or environmental point of view. Also, EU legislation contributes to the strengthening of the farmers position in the value chain by allowing the POs to derogate from certain competition rules, essentially enabling farmers to capitalise on their collective bargaining power as a PO. In recognition of the multiple benefits of POs, the EU finances the setting-up of producer organisations and producer groups, and also operational programmes that can include actions aiming at a range of objectives. These include planning and organisation of production, concentration of supply and placing on the market of the products, modernisation, research and development of sustainable production methods, including climate change mitigation and adaptation and innovative practices and production techniques. Support has been available for many years in the fruit and vegetables but also in the wine, hops, apiculture, olive oil sectors.

Today there are around 3 400 recognised POs in the EU (as of 2017), but not all of them implement operational programmes. They however mainly operate in the milk and dairy products, olive oil and the fruit and vegetables sectors. To move forward the expansion of producer organisations and to yield its benefits in other sectors beyond those already supported as well the latest reform of the CAP included the possibility to establish sectoral interventions in other sectors i.e. most of agricultural productions. We are aware that setting up a producer organisation and an operational program is not always straightforward. To facilitate the process one main objective of the project was to develop this handbook to inspire and share good practices across the different agricultural sectors and generate EU added value. We hope that this work will generate further exchanges of good practices in order to strengthen EU agriculture and agricultural sectors.

Wolfgang Bartscher  
The Director-General  
Directorate-General for Agriculture and Rural Development



## Acknowledgements

This Handbook aims to support the development and implementation of effective Operational Programmes (OPs) for Producer Organisations (POs), Associations of Producer Organisations (APOs) and other agricultural economic organisations under the European Union's Common Agricultural Policy (CAP).

Produced in collaboration with a diverse range of stakeholders, the Handbook benefits from the insights and experiences of POs, APOs, Member State officials and academics. This valuable resource has been made possible through the dedication of the project team made up of experts from ABCIS, Arcadia International, Areté, Consulai, Ecorys, Ergo Consulting, the European Rural Development Network, IfLS and S&P Global Commodity Insights, and the support of individual experts from the Member States of the European Union, in particular Dominique Barjolle, Agnese Krievina, Barbara Soriano Martinez, and Paloma Esteve.

We express our gratitude to all contributors and acknowledge the farmers and producers across the European Union whose dedication is vital to our communities, economies and environment. In particular we would like to express our special gratitude to: Alporc S.A. (Portugal), Asprocarne Piemonte (Italy), Baltu Piens (Latvia), Cooprado (Spain), Erzeugergemeinschaft Bio-Getreide Oberösterreich (Austria), Erzeugergemeinschaft Qualitätsvieh im Oldenburger Münsterland (Germany), Fagiolo di Lamon (Italy), Irish Beef Producers (Ireland), La Coopération Agricole Luzerne de France (France), Ovivor SCA (Spain), Platano Melandro Latte (Italy), Promert (Portugal), Sdruzheni zemedelski stopani Krumovgrad (Bulgaria), Sopred/Apros (Italy), Sunlait (France), Terrena and Porvéo (France).

We hope this Handbook serves as a useful tool in fostering your continued success and in strengthening your organisations.

## Acronyms and glossary of terms

- ▶ AMR: Antimicrobial Resistance
- ▶ APO: Associations of Producers Organisations
- ▶ CA: Competent Authority
- ▶ CAP: Common Agricultural Policy
- ▶ CMO: Common Organisation of the agricultural markets
- ▶ CSR: Corporate Social Responsibility
- ▶ EAFRD: European Agricultural Fund for Rural Development
- ▶ EAGF: European Agricultural Guarantee Fund
- ▶ EU: European Union
- ▶ GAEC: Good Agricultural and Environmental Condition
- ▶ MS: Member State
- ▶ NCA: National Competent Authority
- ▶ OP: Operational Programmes
- ▶ PDO: Protected Designation of Origin
- ▶ PG: Producer Groups
- ▶ PGI: Protected Geographical Indication
- ▶ PO: Producers Organisations
- ▶ RDP: Rural Development Programmes

# Introduction

CAP 2023-2027 introduces Operational Programmes -- previously only available in the fruit and vegetables sector -- to multiple sectors

The European Union's [Common Agricultural Policy](#) (CAP)<sup>1</sup> recognises the need to strengthen farmers' bargaining power through collective action, which can improve market efficiency. This can be accomplished by encouraging greater farmer cooperation and facilitating economies of scale to increase productivity and competitiveness. Producer Organisations (POs) and Associations of Producer Organisations (APOs) are recognised entities that promote farmer cooperation.

Previously, Operational Programmes (OPs) were only available in the fruit and vegetables, hop and olive (table and oil) sectors, but they can now be available to other agricultural sectors under the CAP 2023-2027. The EU co-finance OPs, which are used to support actions and investments (known as interventions) that improve farmers' position in the supply chain by increasing competitiveness and sustainability.

Not all Member States have chosen to offer OPs outside the fruit and vegetables, hop and olive sectors – you must check whether your Member State makes sectoral interventions through OPs available in other sectors.

Only recognised POs can receive OP support, though producer groups (PGs) can receive OP support if they are identified as a PO by national authorities within four years of implementing their OP as long as this period finishes before the end of 2027.

## Multiple sources informed the content and design of this handbook

This Handbook shares the experiences of POs from different sectors across the EU, as well as other important information to help you decide whether an OP is right for your organisation.

Good practices for designing, managing, and reporting on an OP are included. These were developed based on evidence collected in the fruit and vegetables sector. These good practices provide a foundation for considering what might work in designing and running your OP.

POs in all EU Member States in the beef, pig meat, dairy and plant protein crop sectors were surveyed, and 16 in-depth case studies of POs were conducted to investigate the interventions with the potential to improve economic, social, and environmental sustainability. We also evaluated the interventions that can be funded through Rural Development Plans (RDPs) to identify which ones might be most applicable to future OPs.

Four workshops were held with POs, agricultural sector representative groups, Member State officials, academics and civil society organisations. These events gathered feedback on the evidence collected in the other activities to determine the potential for specific intervention types and combinations of intervention types that could be used in an OP.

## Caveats and limitations

In the context of an OP, it is important to recognise that there is no one-size-fits-all approach or "best" type of intervention that can address the needs of all POs. Instead, each PO should customise their own OP to align with their unique needs and circumstances. To showcase the diversity of possible interventions, this Handbook presents a range of cases that highlight different contexts, strategies, types of PO, and activities that can be undertaken as part of an OP. By exploring these examples, readers can gain a better understanding of the possibilities and opportunities that exist for creating effective and tailored operational programmes.



<sup>1</sup> [Regulation \(EU\) 2021/2115](#).

## The Handbook is intended for recognised Producer Organisations

This Handbook is intended to assist POs and APOs, and any other agricultural economic organisations in developing effective OPs. It also provides basic information to support PGs in becoming recognised as a PO or APO.<sup>2</sup>

### Important acronyms used in the handbook

#### **PO = RECOGNISED PRODUCER ORGANISATION**

A PO is a group of farmers who come together to pool their resources to strengthen their collective bargaining power and which has been recognised as such by national authorities.

#### **APO = ASSOCIATION OF PRODUCER ORGANISATIONS**

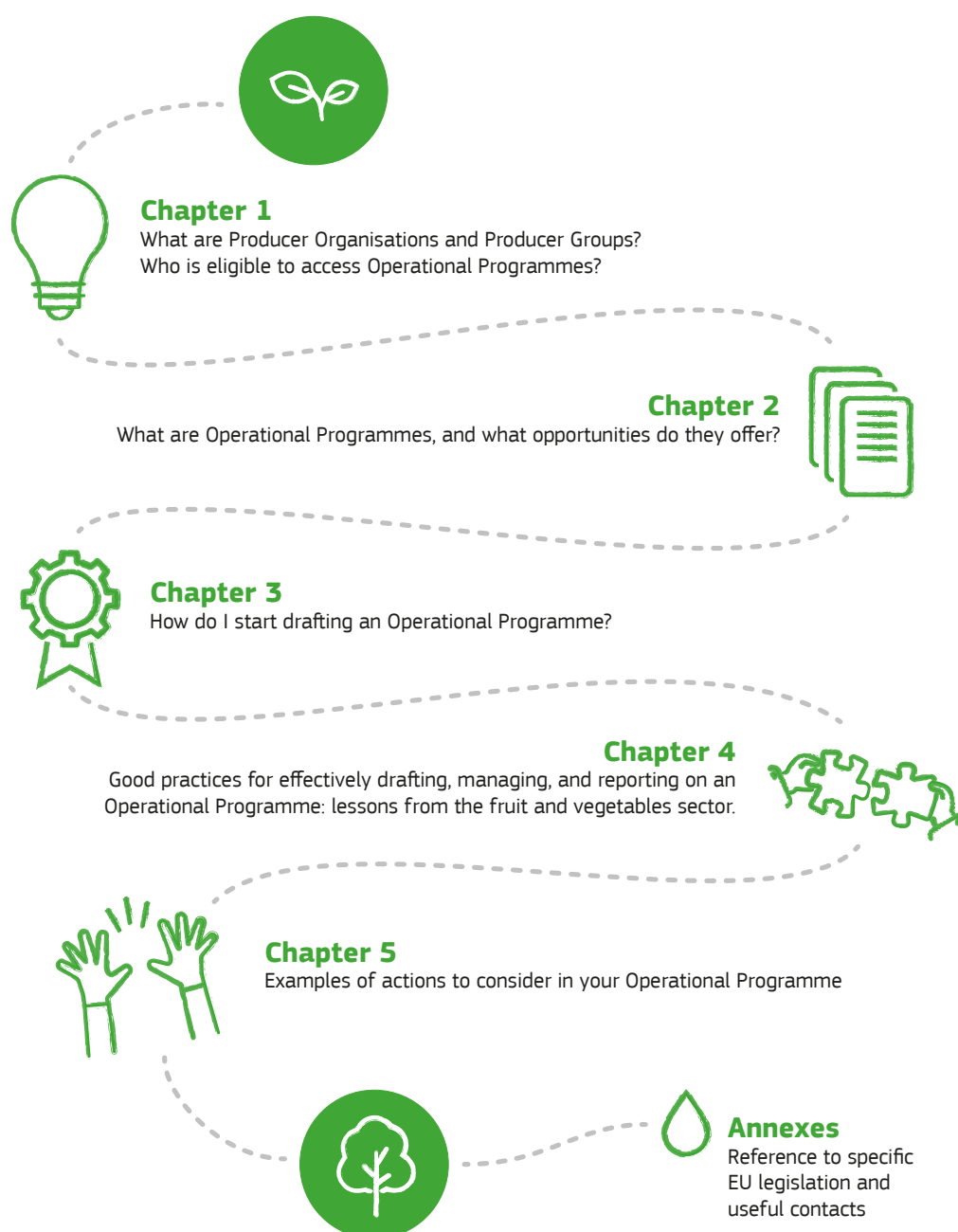
An association grouping more than one PO.

#### **PG = PRODUCER GROUP**

A producer group refers to an association, regardless of its legal structure, primarily consisting of producers or processors of a specific product.

#### **OP = OPERATIONAL PROGRAMME**

An OP is a set of actions and investments designed by POs that is partially funded, under certain conditions, by the European Union.



<sup>2</sup> This includes a) POs and their associations recognised under Regulation (EU) No 1308/2013 or under paragraph 7 of Article 67 of Regulation (EU) 2021/2115; or (b) cooperatives, as well as other forms of cooperation between producers constituted at the initiative of producers and controlled by them, that have been identified by the competent authority of a Member State as producer groups, for a transitional period of up to four years from the start of an approved operational programme ending on 31 December 2027 at the latest (Regulation (EU) 2021/2115).



# CHAPTER 1

## What are Producer Organisations and Producer Groups?

## Who is eligible to access Operational Programmes?



The European Union's agricultural landscape is characterised by 9.1 million farms in 2020. These farmers face significant challenges in negotiating with the more concentrated and powerful processors and retailers in the supply chain.

**This chapter explains the concept of POs as a means to enhance the bargaining power of these farmers, and as recognised entities to access public support. It also briefly defines the PGs and describes the financial support available to foster cooperation among producers. Finally, it clarifies who can access OPs.**

You can find what OPs are and how they are financed in [Chapter 2](#) and how to start an OP in [Chapter 3](#). [Chapter 4](#) provides some good practices for effectively developing an OP within a PO and ideas and inspiration for actions to consider in your OP are described in [Chapter 5](#).

## 1.1 Definition of Producer Organisation

There are 9.1 million farmers in the EU, most of whom operate independently of each other.<sup>3</sup> By contrast, processors and retailers are far more concentrated. This asymmetry of bargaining power makes it difficult for farmers to defend their interests when negotiating with other actors in the supply chain. To improve their bargaining power, farmers often come together as cooperatives, or use other forms of cooperation.

A group of producers organised as a cooperative, or under other legal structures, may seek recognition from the EU country in which they are based, and subsequently become a recognised **PO** (referred to simply as PO in this Handbook). Member States have the authority to recognise POs.

POs strengthen their collective bargaining power by:

- ▶ concentrating supply;
- ▶ improving marketing;
- ▶ providing technical and logistical assistance to their members;
- ▶ helping with quality management; and,
- ▶ transferring knowledge.

POs can benefit from:

- ▶ exceptions from EU competition rules for certain activities, such as collective negotiations on behalf of their members, planning of production or certain supply management measures like storage, transformation or elimination; and,
- ▶ access to EU funding for setting-up and performing activities within the OPs.

**To be recognised and, therefore, eligible for EU funding**, a PO must:

- ▶ have been set up on the initiative of producers;
- ▶ be made up of and controlled by producers of a specific agricultural sector;
- ▶ file a request for recognition as a PO with the EU country it is based in;
- ▶ carry out at least one of the activities listed by EU law, such as joint processing, distribution, transportation or packaging; and,
- ▶ follow at least one of the specific aims mentioned in agricultural legislation, such as optimising production costs or developing initiatives around promotion and marketing.

POs also need to meet some additional national criteria such as having a minimum number of members and/or covering a minimum volume or value of products. There are also certain requirements regarding their statutes. Very importantly, these must enable their members to scrutinise the organisation democratically.



Be careful! Additional criteria may be set at national level. You should check the provisions that apply in your Member State with your competent authority (see [Annex 1](#)).

Several POs may group themselves in an association, forming an **Association of Producer Organisations (APO)**. This APO must apply separately to be officially recognised by the national competent authority.

## 1.2 Definition of Producer Group

Producer group means any association, irrespective of its legal form, mainly composed of producers or processors of the same product. A PG may be established through the collaboration of various stakeholders, including farmers, farm suppliers, intermediate processors, and final processors.<sup>4</sup>



Consider that Member States set the criteria for being identified as a PG.

<sup>3</sup> [https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/producer-and-interbranch-organisations\\_en#:~:text=Producer%20organisations%20\(POs\)%20or%20associations,improving%20marketing](https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/producer-and-interbranch-organisations_en#:~:text=Producer%20organisations%20(POs)%20or%20associations,improving%20marketing)

<sup>4</sup> Proposal for a regulation of the European Parliament and of the Council European Union geographical indications for wine, spirit drinks and agricultural products, and quality schemes for agricultural products, amending Regulations (EU) No 1308/2013, (EU) 2017/1001 and (EU) 2019/787 and repealing Regulation (EU) No 1151/2012

## 1.3 Who can access the Operational Programmes?

**A PO (or APO) must be recognised** to receive funding for an OP. However, there is a transitional exception where a **PG** can receive funding for an OP **if they apply for and receive recognition as a PO/APO by their Member State within a maximum of four years following the start of the OP and if this four-year period concludes before the end of 2027**. If the PG fails to achieve recognition during this transitional period, they will have to return the European funds received.



To receive EU support for an OP, PGs must draw up and submit a recognition plan.<sup>5</sup>

## 1.4 Financial support for setting-up POs or transitory Producer Groups

Member States can provide support for various forms of cooperation, including for setting up a PG, PO or interbranch organisation, if the “cooperation” intervention is programmed in the national Cap Strategic Plan for 2023-2027.<sup>6</sup>

Support for cooperation can only be granted to new forms of cooperation or existing ones starting new activities. It must involve at least two actors.

Support is limited to a maximum of five years.<sup>7</sup> The **support for setting up PGs, POs, or interbranch organisations is limited to 10 % of the annual marketed production of the group or organisation being set up, with a maximum of EUR 100 000 per year**. In addition, the amount of support must be degressive over the years and limited to the first five years following recognition of the group or organisation.

<sup>5</sup> Article 67 of the regulation (EU) 2021/2115.

<sup>6</sup> Article 77 of Regulation (EU) 2021/2115 outlines the conditions for granting support for cooperation under CAP Strategic Plans

<sup>7</sup> Article 77 (paragraph 8) of the regulation (EU) 2021/2115



# CHAPTER 2

## What are Operational Programmes, and what opportunities do they offer?

**This chapter explains what OPs are, under what conditions funds can be accessed, which type of activities are eligible for funding, and how the OPs are financed.**

You can find out more about the eligibility criteria to establish a PG/PO in [Chapter 1](#), and how to start an OP in [Chapter 3](#). [Chapter 4](#) provides some good practices for effectively developing an OP within a PO and ideas and inspiration for actions to include in your OP are described in [Chapter 5](#).



## 2.1 What are Operational Programmes?

OPs are a set of actions, encompassing activities and investments, designed by the POs. Within the legal framework,<sup>8</sup> these actions are denoted as "interventions". The European Union provides half the funding corresponding to a defined list of interventions (see [section 2.3](#)). The other half of the funding must be provided by the PO.

OPs were introduced in the fruit and vegetables sector in 1996. Since their introduction, funding for OPs has increased considerably. Funding in 2010 amounted to EUR 171 million but increased to almost EUR 1 802 million in 2019 demonstrating the effectiveness of the support in encouraging producer cooperation. Table 1 provides references to the legislation for those sectors that have previously had access to EU co-financing for OPs. **From 2023, sectors other than fruit and vegetables, hop, and olive (oil and table) are also able to access EU funding for OPs.**

OPs are defined in the CAP 2023-2027 legislation.<sup>9</sup> OPs for the other sectors (listed in Table 1) are financed by the European Agricultural Guarantee Fund (EAGF).

**Table 1: Regulatory references for OPs by sector**

Sector	Articles of Regulation (EU) 2021/2115	Regulatory reference giving the detailed definition of the sectors concerned	Member States that can mobilise European financial means
<b>Fruit and vegetables</b>	49 to 53	Paragraph 2(i) of Regulation (EU) 1308/2013	All
<b>Hops</b>	61 and 62	Article 1(2)(f) of Regulation (EU) 1308/2013	Germany
<b>Olive oil and table olives</b>	63 to 65	Article 1(2)(g) of Regulation (EU) 1308/2013	Greece, France, Italy
<b>Other sectors</b>	66 to 68	Article 1(2)(a) to (h), (k), (m), (o) to (t) and (w) of Regulation (EU) 1308/2013 and the sectors covering the products listed in Annex VI of <a href="#">Regulation (EU) 2021/2115</a> .  Details of the "other sectors" concerned: cereals, rice, sugar, dried fodder, seeds, flax and hemp, bananas, live plants and floricultural products, beef and veal, milk and milk products, pig meat, sheep meat and goatmeat, eggs, poultry meat, silkworms, and the list of sectors in Annex VI of Regulation (EU) 2021/2115.	All

## 2.2 Which sectors may benefit from Operational Programmes?

**The decision to extend OPs to specific sectors is taken individually by each Member State.** This decision is based on a thorough analysis of the national context and an assessment of needs in collaboration with stakeholders. This means that OPs in some sectors are only available in some Member States. This decision is included in each **national strategic plan**, the document that sets out the national implementation of the CAP for the 2023-2027 period (see [Annex 1](#) for useful links).

As regards sectoral interventions in 'other' sectors, National strategic plans can only be revised in 2025. The transfer of Direct Payments financial allocation to sectoral interventions would be incurred in 2026 and OPs could therefore become available in other sectors in your MS only in 2027.



Be proactive! Make sure your competent authority and your farmers' organisations know you are interested in the possibility of creating an OP (see [Annex 1](#) for useful links).

<sup>8</sup> Regulation (EU) 2021/2115

<sup>9</sup> Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 laying down rules governing support for strategic plans to be drawn up by the Member States under the Common Agricultural Policy (CAP strategic plans). This Regulation repealed Regulations (EU) 1305/2013 and (EU) 1307/2013 - (OJ L 435, 6.12.2021, p. 1)

## 2.3 Which interventions do the Operational Programmes fund?

The main justification for POs implementing OPs is the need and the immediate benefit to producers of **pooling supply**, to negotiate greater quantities and prices with buyers who often have greater market power, especially in the face of a very large number of farmers.

POs or APOs have a strong interest in choosing interventions which are in line with a **clear strategy** for their own organisation (see [Chapter 4 on Good Practices](#)). The implementation of an OP must be approved by a majority of members in a vote in a general assembly. The strategy should be informed by a detailed analysis of the local context, the market, and long-term trends (changing consumer demand, market structure and concentration, the effects of climate change, etc.). **The choice of interventions** is often made in the context of this **strategy**, taking account of necessary and available **human and financial resources** for the interventions chosen. **Synergies with other CAP tools** need to be carefully considered. This is to avoid duplication, but also to mobilise other available funding sources.

Should the Member States decide to extend OPs to certain sectors, they need to define a list of eligible interventions for each of those specific sectors, and set out the specific requirements for POs to design their actions. The interventions available in the national CAP strategic plan can be obtained from your national competent authority (see [Annex 1 for useful links](#)).



Contact your competent authority to know what interventions under an OP would be of interest to your PO.

It is useful to combine different types of intervention to ensure that an OP successfully addresses the PO/APO objectives.

The possible interventions that may be included in the OP are explained below and full details are provided in [Annex 2](#).

**Risk-pooling funds (or insurance, mutual funds)** are effective tools for managing losses due to uncontrollable market hazards. Unlike private insurance, where producers contribute voluntarily, membership of a PO obliges producers to participate in the collective risk pooling effort. It is possible to double the amount of the mutualisation fund set up by the producers under an OP.

As well as pooling supply, market management can also involve managing the quantity produced according to forecasts of the evolution of demand. This can be done, for example, by prolonged **storage**, and therefore the **postponement of the marketing** of part of the production to reduce supply to the market when prices are low. Collective storage is often costly and **investments in collective storage facilities** can be funded under an OP.

The **processing of products** can be a different way of carrying over surplus quantities of products in time, but also of increasing their added value. Processing facilities can also be financed by OPs. For example, the construction and operation of a **slaughterhouse** by producers allows them to capture more value from the supply chain. It can also make it possible to pool the quantities and mutualise the costs of storing meat. Additionally, this increases market transparency for the producers and guarantees better traceability and control over quality.

Producers can also benefit from OPs which help them to **adapt production to buyers' quality requirements**. The organisation of training improves process and product **quality**. The costs of such quality improvement, quality control and quality monitoring programmes (all means of quality monitoring, as well digital or physical tools) can be funded under an OP.

The additional costs of certain **agri-environmental practices** for particularly resource-friendly approaches, promotion of biodiversity (including investments in infrastructure for insect or wildlife habitats), or animal welfare, are eligible for financial support under an OP. An OP can offer a collective way to improve agri-environmental practices at the farm level. There may be new opportunities to pool the supply of products produced to higher agri-environmental standards, which can be differentiated on the market through distinctive labelling. For example, to anticipate changing standards and to meet societal expectations for **sustainability, respect for natural resources and respect for animal welfare**, producers can define appropriate actions for a given sector. Meeting this demand can help to achieve a better return on their products through **differentiation efforts** supported by distinctive brands and logos. **Consumers will often pay a premium price** for higher quality production which exceeds minimum regulatory standards for environmental and animal welfare, especially when these efforts are reinforced by promotion and marketing, or even merchandising.

**Consumer information, promotion, communication and marketing actions** can be funded under OPs as measures to raise consumer awareness of EU quality systems. POs can also use an OP to promote the benefits of a healthier and more sustainable diet, as well as to respond to the need to consolidate and strengthen the market position of its products.

OPs can be used to support a switch to higher value production such as **organic farming, integrated production**, or by adopting **other national or European quality schemes**.<sup>10</sup>

<sup>10</sup> Regulation (EU) 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs (OJ L 343, 14.12.2012, p. 1

Expenditure to help adapt to **climate change**, for example investments in sustainable irrigation, or to limit the impact of certain agricultural practices on the environment, such as investing in animal waste treatment facilities, can also be supported under OPs.

The **sustainability of transport and storage, through energy savings or investments in renewable energy**, can be supported by OPs through actions which aim to help the value chains upstream of the food chains to reduce the impact of the agri-food system on non-renewable energy resources.

**Research, advisory or training efforts in agriculture** can also be supported under OPs. The benefit of engaging in research, advisory or training for POs is to be able to negotiate lower costs, and to make the training more specific to members' requirements.

In addition, POs can voluntarily define in their OP **some actions proposed to ensure that workers in the sector enjoy fair and safe working conditions**.

Other support is available for OPs (called **accompanying interventions**). These can include the sharing of experience, which is very useful to demonstrate the benefits of OPs by example. Accompanying interventions can include the sharing of crisis management best practices, promoting the creation and collaboration of POs, and fostering networking opportunities. Both beneficiaries and providers must belong to POs to receive funding, with providers integrating accompanying interventions into their OP. What producers say speaks volumes to other producers, even from other sectors. Some experience can benefit others, in that it can concretely demonstrate feasibility and provide answers to many practical questions (see [Annex 3](#) for further information).

In addition to the accompanying interventions, POs can use the expertise of external farm advisory organisations that are competent in the recognition of POs and the development and management of OPs.

## 2.4 What is the total amount of funding for each Operational Programme?

The total amount of funding for each supported OP is capped, under certain conditions, at a **maximum amount of 6 % of the value of marketed production (VMP)**<sup>11</sup> of the PO or APO implementing the OP. The calculation of the VMP is therefore important; it must be high enough so that 6 % of it provides sufficient funds to develop a useful OP. Unless the PO/APO concentrates the supply of its members and markets their products, the VMP is not likely to be high enough to allow sufficient financing capacity for an OP.

To ensure that sufficient funds are available for an effective OP, the statutes of the PO/APO may require the full collective marketing of members' production under the sole responsibility of the PO/APO. Where this is the case, members would not be allowed to make any individual sales, including restrictions on the direct marketing to consumers, for products of the same sector.



The size of your OP is linked to the value of your PO/APO's marketed production. The higher the VMP, the more funds can be available for an OP.<sup>12</sup>

**The financial aid available for OPs must meet certain requirements in terms of its allocation to specific interventions under the OP.** Certain expenses are specified in line with the list of interventions defined by sector in each Member State and some expenses are not eligible (see list in [Annex 4](#)).



You should check the financial aid available for each intervention and eligible expenses in your Member State with your competent authority (see [Annex 1](#)).

Up to, but **no more than a third of expenditure** under each OP can support the following types of intervention:

1. withdrawal from the market for free distribution or other destinations, including, where necessary, treatment to facilitate such withdrawal;
2. "green harvesting", consisting of the harvesting in their entirety, from a given area, of unripe and unmarketable products which have not been damaged prior to green harvesting, whether for climatic, disease or any other reason;
3. "non-harvesting", consisting of the interruption of the current production cycle on the area concerned while the product is well developed and of sound, fair and marketable quality, excluding the destruction of the products due to climatic events or disease.

<sup>11</sup> The requirements for calculating the value of marketed production are explained in [Delegated Regulation \(EU\) 2022/126](#), Articles 30 and 31.

<sup>12</sup> As long as the financial envelope of 3 % of total direct payments is respected as a ceiling for all sectors.

### Value of Marketed Production (VMP):<sup>13</sup> a key-figure for POs

The VMP is a key figure because it fixes the maximum amount of funding for any OP. This value is calculated based on the marketed production of the PO for those products for which the PO is recognised.

VMP = the turnover, excluding VAT, from **member products** (farm gate price), for which the PO is recognised at the "PO exit/departure to customer" stage, i.e., after storage and packaging.<sup>14</sup>

## Co-financing and operational funds

Half of the financing for OPs is provided by the EU with the other 50 % provided by the members of the PO. The rate of co-financing is **increased to 60 % for the first five years after the year of recognition** of the PO, meaning that members of the PO are responsible for only 40 % of funding in this period.<sup>15</sup>

A flat-rate amount of 2 % of the total operational fund for the OP may be used to cover administrative costs (including staff costs) related to preparing, implementing and monitoring the OP. The administrative costs of specific interventions under an OP are also eligible for funding within a ceiling of 4 % of the total cost of each intervention.

The management of operational funds requires transparency and accurate monitoring by the POs themselves, as the funds are payable to the POs/APOs. If the requirements of the OPs as set out in the regulations are breached, the POs/APOs must pay back to the European Commission all funding related to the specific breach and recover this funding from the final beneficiary of the aid received (farmer).

### Operational fund: the financial operationalisation of the OP<sup>16</sup>

An operational fund is financed by:

- (a) the **members of a PO or the PO itself or both**. In case of **APO** through the members of the APO.
- (b) the **European Union**.

Operational funds shall **be used solely by the POs to finance OPs** which have been approved by the Member States.

## 2.5 How are Operational Programmes financed?

OPs are co-financed by the European agricultural guarantee fund (**EAGF**), the main envelope of the agricultural budget which finances direct payments under the first pillar of the CAP.

Each Member State must set a **maximum budget to support OPs in each sector**. This differs from the fruit and vegetables sector, for which the budget is open-ended. The budget, or envelope, that is set aside in each sector is subtracted from the total support available in each Member State under the first pillar of the CAP.

The total envelope that Member States can allocate to supporting OPs in other sectors is usually capped at **3 % of the EAGF envelope** reserved for the Member State.<sup>17</sup> The total amount of the envelope reserved for each Member State can be found in Annex V of Regulation (EU) 2021/2115.<sup>18</sup>

### Exception to the envelope allocated for OPs<sup>19</sup>

In sectors other than fruit and vegetables, hop and olive (oil and table), Member States may decide to increase the budget proportion allocated to OPs to 5 % (2 % more than the normal 3 %). In this case, the amount corresponding to this increase is deducted from the maximum amount available for direct payments and is no longer available to be used for other interventions such as coupled income aid.

<sup>13</sup> Article 22 of the delegated Regulation (EU) 2022/126 of the Commission.

<sup>14</sup> The VMP may include products that are not required to conform to the marketing standards, where those standards do not apply (for example if the products are processed).

<sup>15</sup> Article 68 of the regulation (EU) 2021/2115.

<sup>16</sup> Article 51 of regulation (EU) 2021/2115 - Delegated Regulation (EU) 2022/126.

<sup>17</sup> Article 88, paragraph 6 of Reg. (EU) 2021/2115.

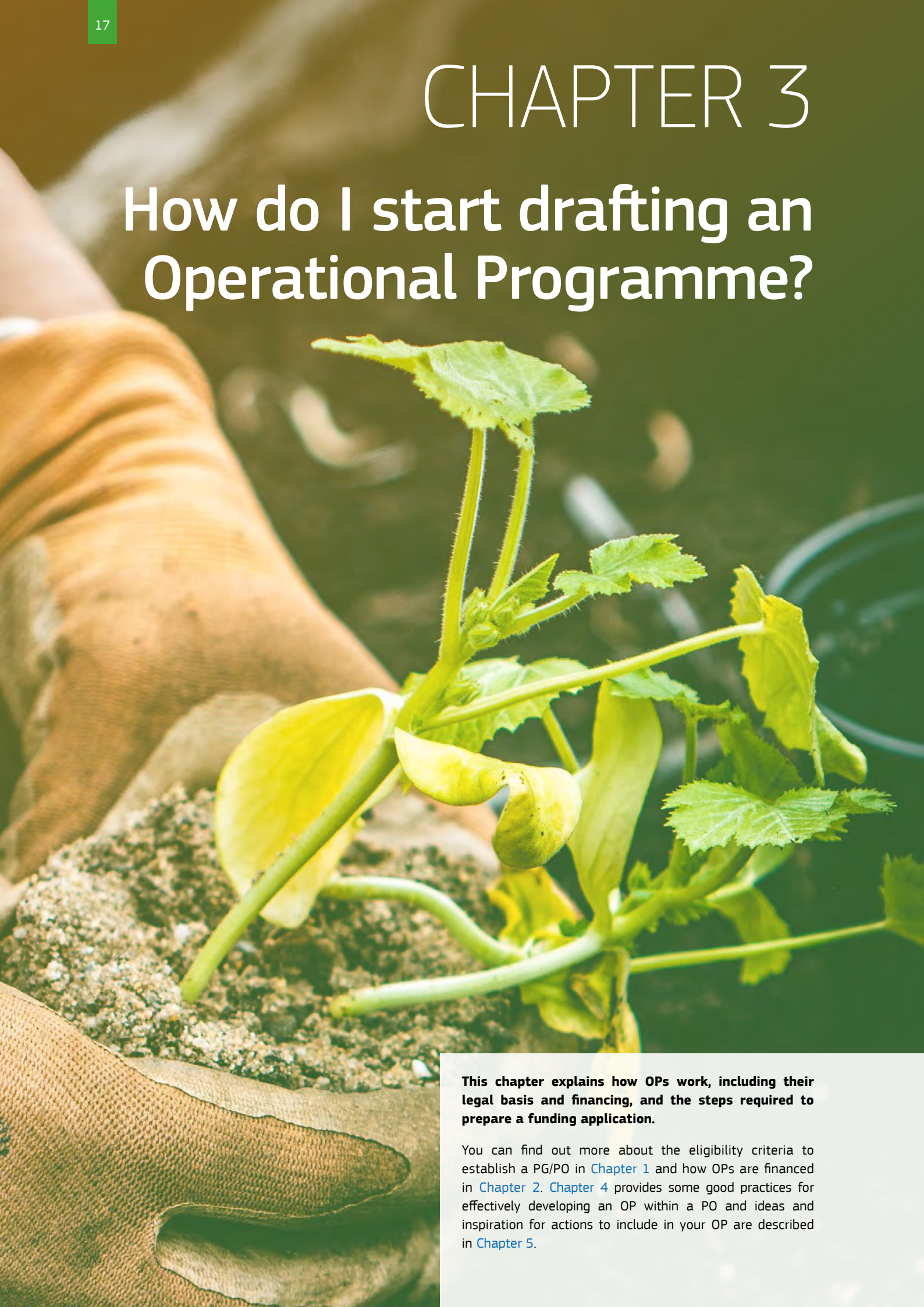
<sup>18</sup> The amount of subsidies for cotton Operational Programmes in the Member States concerned by this measure (defined in Annex VIII), are subtracted from the overall allocation of Annex V before calculating this maximum limit of 3% in their country. This measure mainly concerns Greece.

<sup>19</sup> Title III, Chapter II, Section 3, Subsection 1 of Regulation (EU) 2021/2115



# CHAPTER 3

## How do I start drafting an Operational Programme?



**This chapter explains how OPs work, including their legal basis and financing, and the steps required to prepare a funding application.**

You can find out more about the eligibility criteria to establish a PG/PO in [Chapter 1](#) and how OPs are financed in [Chapter 2](#). [Chapter 4](#) provides some good practices for effectively developing an OP within a PO and ideas and inspiration for actions to include in your OP are described in [Chapter 5](#).

### 3.1 Legal basis and financing

As explained in [Chapter 2](#), the CAP can provide for funding support through OPs in almost all agricultural sectors ([EU Regulation 2021/2115](#)). Each Member State decides whether and how to include sectoral interventions in their CAP Strategic Plan, except in the fruit and vegetables and apiculture sectors, where OPs are compulsory. Outside of the compulsory sectors, national authorities also determine the specific CMO sectors and types of interventions that may be included in an OP through their CAP Strategic Plan.

**A PO (or APO) must be recognised** to receive funding for an OP. There is also a transitional exception for PGs. See [Chapter 1](#) for more information.

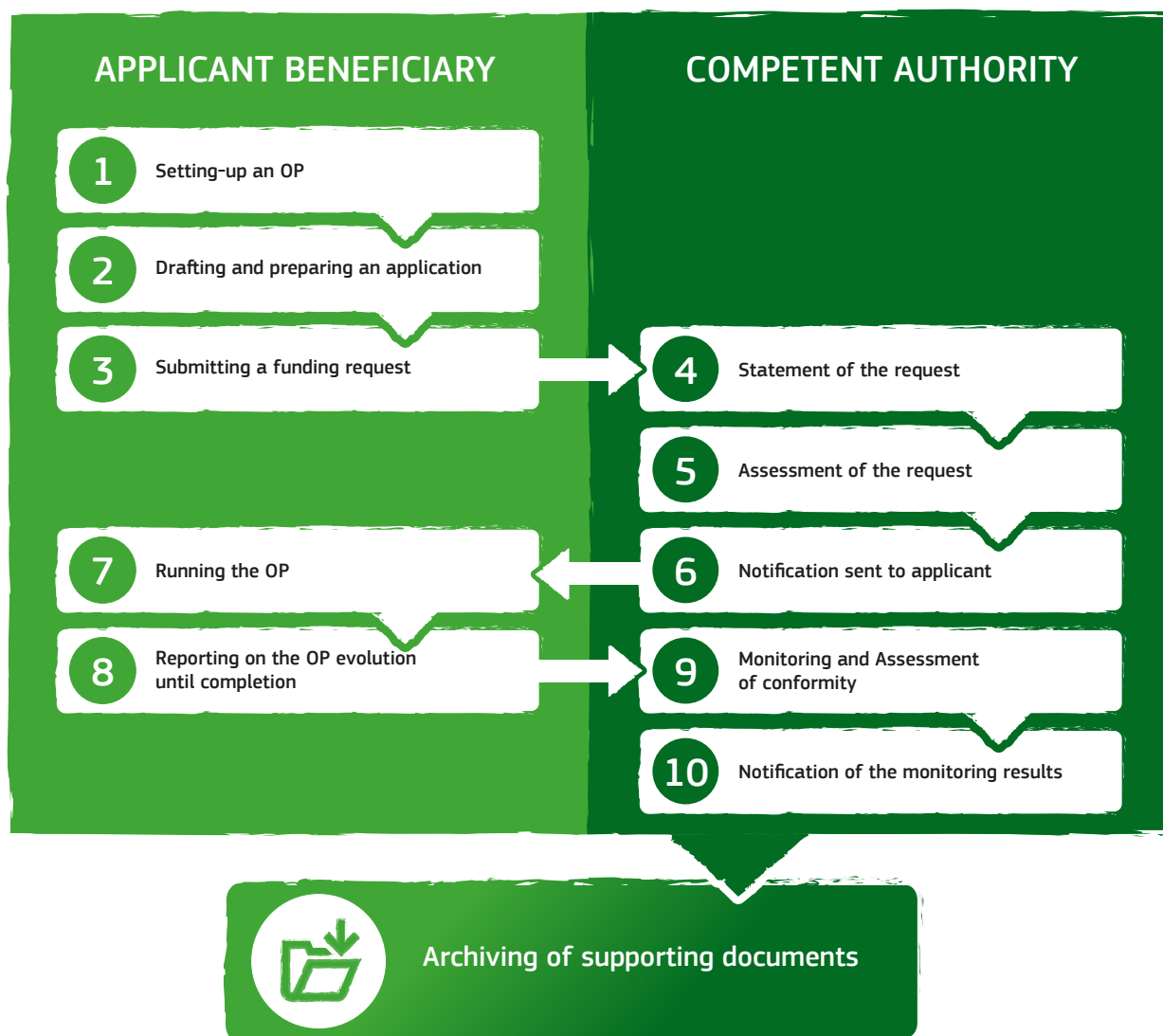


Don't hesitate to ask your competent authority which support organisation(s) could help to draft your OP.

### 3.2 What are the steps to apply for EU funding through an Operational Programme?

If you wish to request funding for an OP, you will need to prepare and submit an application to the relevant competent authorities. The exact content of an application, its structure, and the submission process are defined by each national authority, but the important elements can be summarised through a set of ten steps.

Figure 1: How to submit an application to the relevant authorities



Before you begin, you will need to identify and contact the national authorities in charge of administering your application to understand the overall process, from submitting the request to archiving the file. National authorities in your Member State will also inform you about the deadlines for submitting applications. [Annex 1](#) provides information on where to obtain additional information.

You will need to allow sufficient time to review the application. It is recommended that you start drafting your file as soon as possible, without waiting until the annual filing deadline.

## From project development to application submission

### 1 - Setting-up a project

#### a. Check which measures and sectors are eligible for funding

Your OP must follow a dedicated set of rules to benefit from European funds. These rules affect all stages of your OP, both during the preparation of your funding application, during its implementation and at reporting stages.

**We recommend that you analyse all of the rules provided by national authorities prior to drafting an application** and refer to the rules regularly as you prepare your application. If you are unsure about the requirements, please contact your national authorities to understand which measures are eligible.

#### b. Search for coaching

Drafting an application is a complicated exercise and we suggest you **search for technical and legal support** in the early phases of your OP. Contact your national authorities, which should be able to provide you with contact names of organisations and experts that could help you draft and prepare your OP.

#### c. How best to manage your OP

The success of your OP in achieving its objectives **depends on the quality of the project management procedures you put in place**. Managing an OP means organising and monitoring each action undertaken to meet the deadlines, costs and quality required. The project manager is important for securing the delivery of the expected results (outputs, training provision, etc.). Get help from project management specialists if you do not have enough expertise in-house.

#### d. Check that your organisation fulfils all eligibility criteria for obtaining recognised PO status

As a recognised PO or APO you can skip this step. If your organisation is not yet recognised as a PO or APO, you have **four years from the date of starting the OP to achieve recognition with December 2027 as the deadline** (see [Chapter 1](#)). Please contact the national authorities in charge of recognition to understand all requirements and criteria for being recognised. This check must be performed before drafting your OP as the recognition criteria may influence the way your OP should be drafted.

### 2 - Drafting and preparing the application

Before applying for an OP, you should know that:

- a. Payments for OP commitments can take a long time: ask national authorities about the timing for the payments and **make sure you have sufficient cash to complete all administrative tasks of your OP**.
- b. The administrative activities for setting up and monitoring the OP are substantial: you must have the **necessary and competent human resources**.
- c. All regulations applicable to your OP or structure must be respected. **Compliance is checked when your file is assessed** by national authorities.
- d. **Double European funding for the same OP is not permitted**: the source of all your funding will be verified at appraisal.

Particular attention must be paid to the commitments to be respected throughout the OP to guarantee its eligibility at the time of the request for payment.

Care should be taken when drafting your application because it constitutes the basis on which national authorities will judge whether your OP is eligible for support. **The structure and content of your application must strictly follow the instructions provided by the national authorities**. If you are unsure how to complete the templates, do not hesitate to contact the national authorities for support.



**Check the completeness and accuracy of your application before submission** but remember that authorities can ask for more detailed information when assessing your dossier.



### 3 - Submitting your Operational Programme application

Your application must be submitted before the annual deadline established by the national authorities. **Check that your submission fulfils all instructions provided by the authorities; it will be rejected if it does not.** Ask competent authorities to provide a receipt indicating that the application has been submitted on time.

### 4 - Follow the instruction of your application until appraisal

**The submission of your funding application does not in any way constitute a promise of financial support.** The examination of applications and any allocation of funding under an OP is subject to all European and national regulations that govern the CAP 2023-2027 programming period.

We recommend that you **stay in regular contact with the authorities** in charge of processing your application to understand its progress and identify potential issues. This approach will save time and could help secure a positive outcome.



Be active! Do not hesitate to contact the competent authority if you have no news about the assessment of your application.

You must keep and archive all the supporting documents relating to your OP to provide any requested evidence during monitoring and controls.



Do not start any action planned in your OP before you have officially received information that the funding has been granted!



# CHAPTER 4

## Good practices for effectively drafting, managing, and reporting on an Operational Programme: lessons from the fruit and vegetables sector

**This Chapter provides some principles of good practices in designing, implementing and monitoring OPs. They apply to OPs regardless of the specific interventions pursued.**

You can find out more about the eligibility criteria to establish a PG/PO in [Chapter 1](#), what are the OPs in [Chapter 2](#), and how to start an OP in [Chapter 3](#). Ideas and inspiration for actions to include in your OP are described in [Chapter 5](#).

A PO can learn from **good practices aimed at simplifying the process or at reducing the costs and time needed** throughout the development and implementation of an OP. The practices illustrated here have been used successfully **by POs in the fruit and vegetables sector**.

Some of the **ten good practices** are focused on the design phase of the OP, others on its management and/or on its reporting.

We have ranked the identified good practices according to their:



**Effectiveness:** to what extent the good practice is useful in tackling problems encountered by the POs in the development and management of the OP, and/or in streamlining procedures, reducing cost and time, improving the quality of the OP. Scale: 1 (very low effectiveness), 2 (low), 3 (medium), 4 (high) and 5 (very high effectiveness).



**Replicability:** to what extent the good practice could be replicated in other sectors, i.e., the extent to which the good practice is specific to the fruit and vegetables sector or to the individual POs that developed it in the first place. Scale: 1 (very low replicability), 2 (low), 3 (medium), 4 (high) and 5 (very high replicability).

Together with the two main issues above, we have also considered:



**Time needed:** to what extent the good practice requires time to be properly implemented and fine-tuned, considering errors, re-thinking or revisions of its initial structure, etc. Scale: 1 (very short time), 2 (short), 3 (medium), 4 (long) and 5 (very long time).



**Cost:** to what extent the good practice requires financial resources to be adopted and implemented. Scale: 1 (very low cost), 2 (low), 3 (medium), 4 (high) and 5 (very high cost).

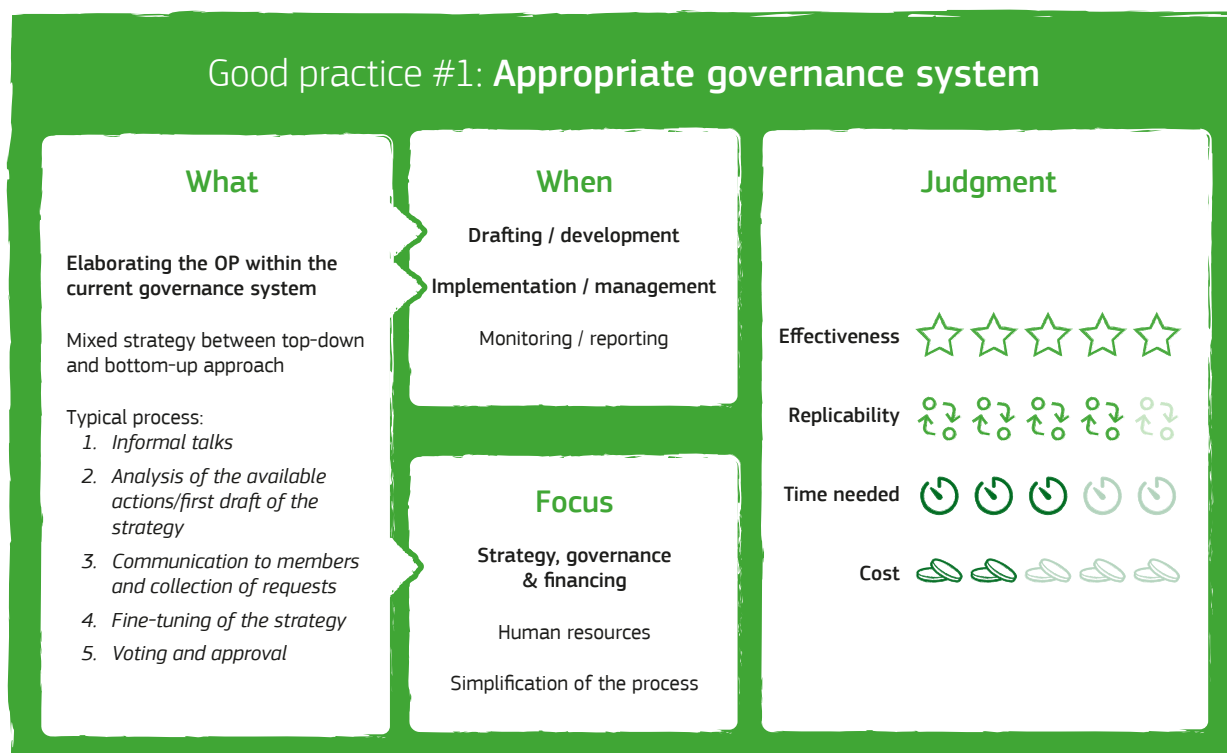
Although the ten identified good practices mainly concern general solutions that can be adopted by the PO in its organisation, it is possible to arrange them into three main groups, as shown in Figure 2.

**Figure 2: Groups of identified good practices**



The following fiches describe ten identified good practices that POs can use in relation to an OP to simplify and rationalise the processes. Practical information is provided for their application, and indications on the main phase of the OP in which the good practice is more relevant (i.e., drafting/development, implementation/management, monitoring/reporting) are reported in a visual form.

## 4.1 Good Practice 1 – Appropriate governance system



### Consistency between current governance system and decision making related to the OP

The importance of trusting the governance system used by the PO when dealing with the decision-making process related to an OP is relevant in the development and implementation phase of the OP. The most common and successful governance systems are based on a **mixed strategy**, which creates a balance between a “pure” bottom-up and a “pure” top-down approach. This is also the case in the development of an investment plan to use the financial resources made available by the OP.

- ▶ **A Bottom-up approach** starts with the collection of needs from the membership base. These are then brought together to form an investment plan for the PO. Under this approach, the selection of objectives for the OP is based on a request for members to specify their needs and expectations which are then analysed to draw strategic guidelines to be discussed at general meetings. A questionnaire is often used to collect members’ needs.
- ▶ **A Top-down approach** starts with the definition of priorities by the Chairman, the Board or – especially for smaller POs – by an advisory company. Once the main strategic priorities have been defined centrally, the membership base is brought into the process. Each member expresses his/her willingness to support the investment plan in the proportion allocated to them. This approach typically involves the Chairman in the initial stages, the management board and the technical departments. The proposed investments are presented to the members who decide which investments they want to see undertaken in the following year(s). Sometimes an advisory company leads the process due to their better knowledge of the requirements that the investments must comply with.

A bottom-up approach ensures that the actual needs of PO members are properly taken into account in the strategy. A top-down approach, on the other hand, results in a (usually) more consistent strategy at PO level and for crucial multi-year investments to be carried out. **Using the existing PO governance system to design and implement an OP is of key importance.**

Many POs in the fruit and vegetables sector have used – consistently with the governance systems that they have in place – elements of the top-down and of the bottom-up approaches in their process to develop an OP. **This “mixed strategy” usually involves pre-meetings with the members**, where the most crucial needs identified can be considered alongside the needs identified by the PO management. Sometimes a more structured bi-directional approach is followed where the PO technicians outline the PO strategic guidelines and provide other technical information to the members so that they can develop their requests within this structure.

A governance system that is balanced and works well in the daily management of the PO will also ensure the effective management of the OP-related decision making; as a result, **there is no need to adapt the governance of the PO to draft an OP. On the contrary, the respect of the governance system in place is crucial to ensure consistency with the overall decision-making processes of the PO and to make clear to all members that the usual ways to grant representativeness are also respected when dealing with the OP.**



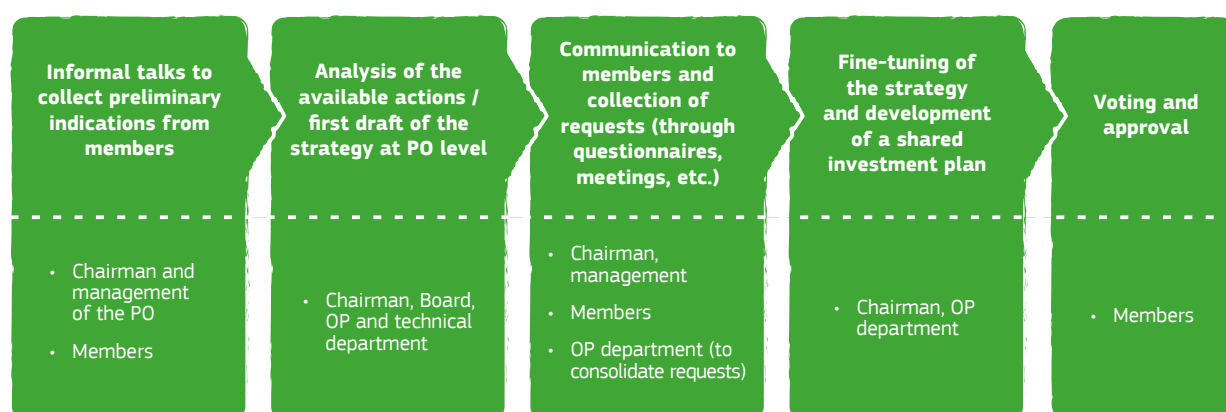
## Typical governance systems according to the size of the PO

The governance systems that can be found at PO/APO level can be roughly grouped as follows:

Size of the PO	Typical governance system
<b>Smaller POs</b>	General Assembly (GA) + Board with most of decisions taken at GA level
<b>Medium-sized POs</b>	General Assembly + Board + PO secretariat with most of decisions taken at Board level with validation by GA
<b>Larger POs</b>	Central General Assembly and regional GAs + Board + Sectoral Committees + Secretariat General where the decision-making mechanisms are more complex and often specific to individual structures

These governance systems all support the development phase of an OP, with the only possible issue related to smaller POs where it is not possible to delegate the administrative tasks of the programme to a dedicated employee. Although it will differ in practice according to the specific procedures of the individual PO, an assessment of a typical mixed-process for a small or medium-sized PO is illustrated in the figure below.

**Figure 3: Mixed-process for a small or medium-sized PO**



**Effectiveness: Very high;** this practice is considered a common success factor for the vast majority of interviewed POs.



**Replicability: High;** the respect of PO governance can be easily maintained in other sectors, once established, and the lack of direct linkages between the specific business activities and the good practice makes it easily transferrable to POs operating in other sectors.

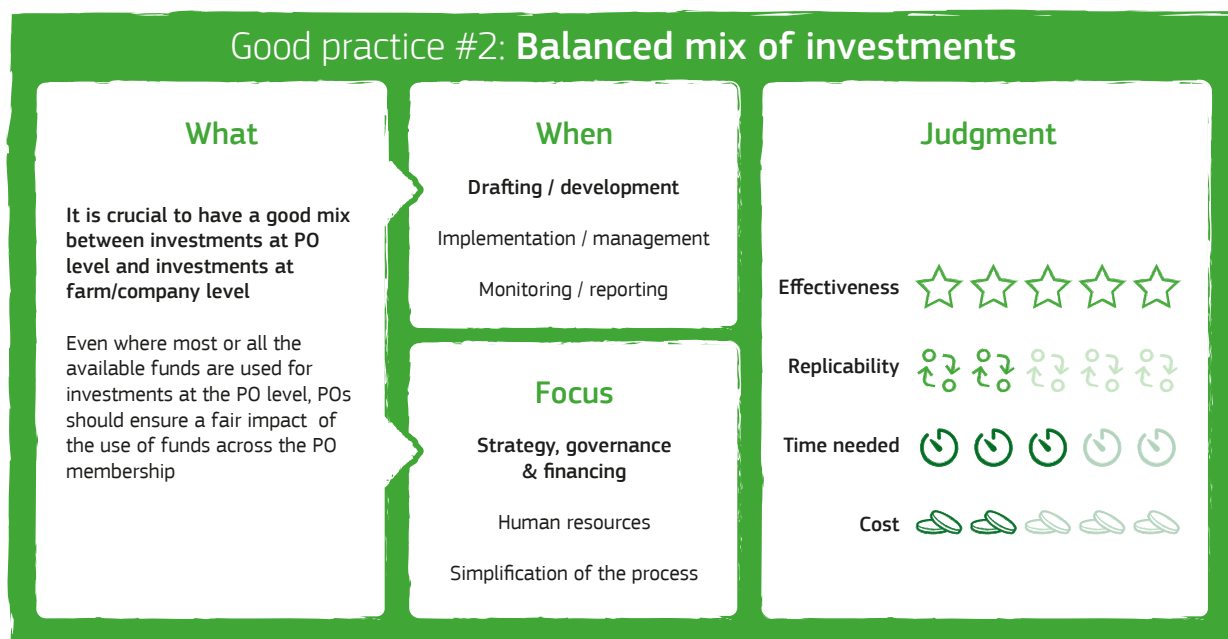


**Time needed: Medium;** the development of the right mix between top-down and bottom-up approaches, and using this to design and implement OPs may take some time, mainly because of the fine-tuning needed for the practical adoption of the OP. However, getting the balance right usually ensures that OP-related decisions can be taken on time and with respect to the deadlines.



**Cost: Low;** generally speaking, no specific costs or investments are needed for the application of the governance procedures to the processes related to the OP. The most important cost item is likely to be related to the time spent on the design and implementation of the process by the different people involved.

## 4.2 Good Practice 2 – Balanced mix of investments



It is very important when designing the investment plan for an OP to ensure that the needs of the PO as a whole, as well as those of the individual members, are met. This objective should be pursued not only from a strategic standpoint (see [good practice n.1 – Appropriate governance system](#)), but also from a financial one. **It is crucial to develop a good mix between investments at PO level and investments at farm/company level, thus ensuring that all members receive a direct benefit for their operations and that they feel committed in following the OP.**

Typically, at least a part of total OP funds is dedicated to investments at individual member level in OPs in the fruit and vegetables sector. In sectors other than fruit and vegetables, the possibility to direct resources to investment at individual member company level will depend on the available total funds, the specific mechanisms envisaged, and the objectives of the OP pursued. Even where most or all the available funds are used for investments at the PO level, POs should ensure a fair impact of the use of funds across the PO membership.

Where part of the OP is allocated to individual members, clear mechanisms should be used to determine shares. For instance, one way of doing this is according to members' contribution to the overall Value of Marketed Production (VMP). Another option is by applying incentives for innovative and multi-annual investments.

Typical investments and expenses at PO level may include machinery, hardware and software, and pay for technicians and employees for marketing and quality control. On the other hand, investments at member company level often include innovation to improve the efficiency of water use, environmentally friendly technical solutions (e.g. biodegradable mulching films), and upgrade or renewal of lines for sorting and packaging.

**Individual members may have specific problems in implementing the investment plan.** In these cases, it is however possible to:

- ▶ implement annual or intra-year changes to the OP; or,
- ▶ non-completed investments can be carried out by other PO members in better financial positions, so that the overall plan is respected.

More specifically, a number of monitoring activities (up to four per year) are carried out by the POs on the investments at farm level. Usually, the people in charge of reporting perform the first round of controls and then discuss any need for adjustments to the OP or reallocation of the investments with the management of the PO.



**Effectiveness: Very high;** in practical terms, a good balance between investments at central level and those at farm level can make the difference between an agreed and shared programme with a high level of commitment of all the participants, and a programme perceived as “imposed” by the top management, with obviously negative implications.



**Replicability: Low;** this approach can be theoretically applied to sectors other than fruit and vegetables, even though its actual replicability is not guaranteed and will depend on the size of available resources and on how POs in other sectors usually work together and engage their members.



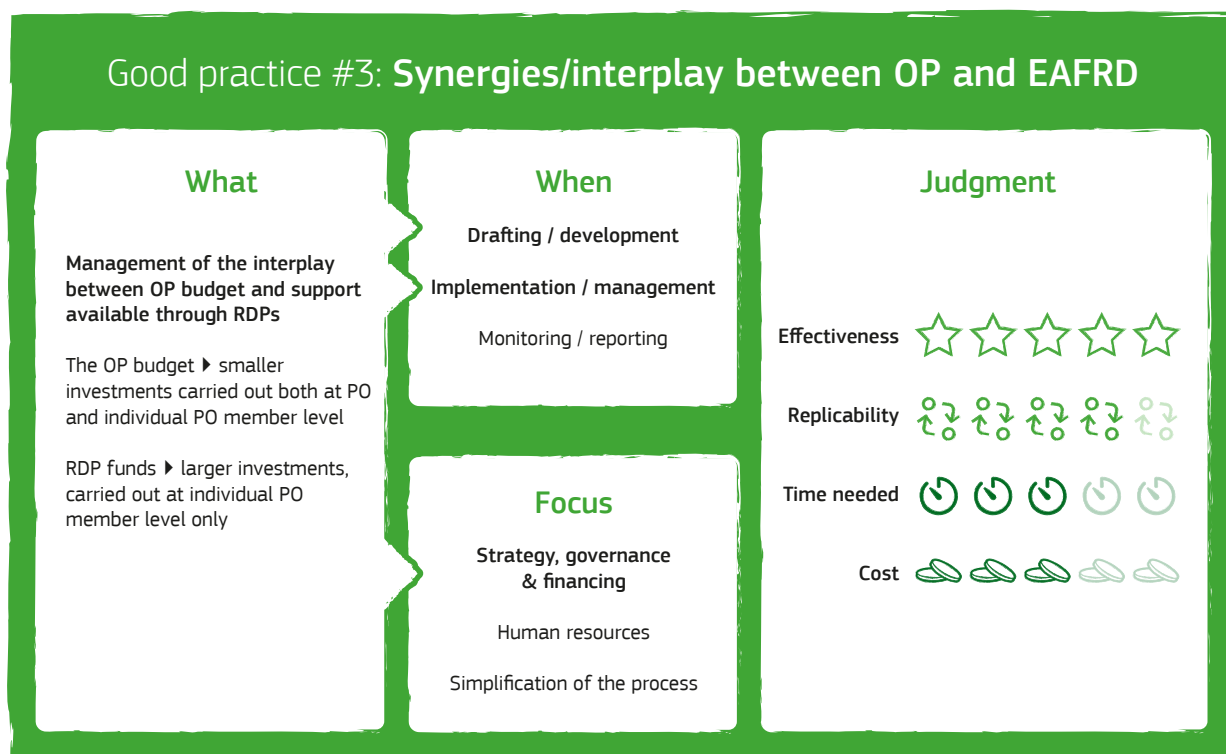
**Time needed: Medium;** even though from a purely theoretical standpoint the process may not need a long time to be implemented, it should be noted that adequate time is needed for the PO to be sure that the mix is consistent with its specific features. It is also necessary for members to understand that spending all the available funds at farm level is usually not the best solution in the long run. As a result, the time dimension is likely to vary according to the specific contexts, the people involved and their experience with funding processes.



**Cost: Low;** the financial cost of this practice is generally low (without considering the cost of actual investments), since it only requires an agreement on how to use available funds based on a consideration of the co-financing needs and investment capacity of the PO membership.



### 4.3 Good Practice 3 – Synergies/interplay between OP and EAFRD



Many POs in the fruit and vegetables sector underlined the importance of smart and accurate management of the interplay between OP budget and support available through the European agricultural fund for rural development (EAFRD) to effectively meet the funding needs of POs and their members. It is important to consider that EAFRD – through the national CAP strategic plans – provides financial support not only for investments, but also other types of interventions. These include risk management tools, the promotion of cooperation, and the promotion of innovation, training and advice and other forms of knowledge exchange and dissemination of information. The OP budget is usually used for smaller investments and other types of interventions carried out both at POs' and individual POs' members levels. On the other hand, EAFRD funds usually cover larger investments and other types of interventions (e.g., implementation of risk management tools), carried out at individual PO member level only. One of the identified advantages of the OP budget is that the PO can coordinate the investments/interventions at farm level, while this is much more difficult with EAFRD where farmers operate independently.

While EAFRD funds are more usually aimed at tactical/routine actions and investments (but in certain regions strategic investments are also allowed), such as those into innovation projects, or into large-scale processing or packing facilities), OP budgets should be focused on innovative and strategic investments and investments which support the long-term objectives of the PO. That said, POs may also choose to fund innovative and strategic investments or interventions through EAFRD support, and tactical/routine actions and investments through the OP budget. Different subsidy rates usually apply to similar actions taken under the OP or the EAFRD; for this reason, a PO needs to make a careful selection of the best instrument to fund different investment needs.



**Effectiveness: Very high;** this is another key factor for the successful implementation of OPs. The different funding possibilities offered by OPs and the EAFRD should be recognised by POs, keeping in mind that the former has the objective of promoting investments for members as a group, while the latter is much more focused on providing opportunities for individual investments at farm level.



**Replicability: High;** this practice can of course be replicated in other sectors, although attention should be paid to the specific differences between the opportunities provided by both OP funding and the EAFRD in relation to the different focus of investment.



**Time needed: Medium;** in common with [good practice n.2 – Balanced mix of investments](#), while the time dimension is not long, some time is needed for the PO to become familiar with the different scope of funding under OPs and the EAFRD in order to find the right balance between the two funding sources.



**Cost: Medium;** the financial involvement is medium, since any decision on the use of funds coming from OPs and the EAFRD implies a choice in how the funding is used.

## 4.4 Good Practice 4 – Dedicated point of contact



It is a very common practice, which has proved to bring tangible benefits, to identify a reference contact person or – in the case of larger POs – the establishment of a dedicated team of professionals within the PO to carry out administrative tasks. This person or team keeps the PO members committed to the OP and monitors its progress.

This person or team usually works closely with the Chairman and the Board and is involved in the design of the OP from its very beginning. They typically have a good mix of technical and economic knowledge and legal/procedural background, so that they can easily spot changes in the relevant legislation and develop solutions to the most common administrative problems. In some cases, the position is held by a part-time farmer with a broader business background. Further relevant skills can be developed with specific training or on the job.

All the analysed POs had **at least one person dedicated to the activities related to the OP**. The activities covered typically include those related to the design, communication, implementation, reporting and monitoring of the OP. Exactly how these activities are brought within a formal department/team depends on the internal structure of the individual PO. For smaller POs, **it is not necessary that one person is dedicated full-time** to activities related to the OP, however **it is important that he or she is responsible for and recognised as the reference contact point for issues related to the OP**. In addition to these internal resources, some POs are also assisted by external advisors (*see [good practice n. 6 – Use of external advisory services, for further details](#)*). Several POs stressed the importance of having an expert team, where administrative staff are usually accompanied by at least one agronomist or someone with legal and technical knowledge of the procedures related to the approval and monitoring of the OP.

Activities	Typical background/skills needed	May need more than one person/profile
Collect feedback from the members	Administrative, secretariat	No
Monitor the deadlines of the project		
Collect the evidence (invoices, etc.) to prove the correct use of the money received via the OP		
Reporting, data input and software management		
Manage the communication within and outside the PO (i.e. between the Chairman/Board and the members, the PO and the competent authorities, with external consultants, etc.)	Communication, diplomacy	
Liaising with the competent authority over questions, interpretation of the regulation and clarifications		
Studying the evolution of regulations, identifying the available actions for the PO	Legal, technical	Yes
Advising on strategic opportunities and contributing to a first draft of the OP		
Interacting with members about technical issues and on-farm activities (scale of investments, varietal changes, innovation, environmental actions, etc.)	Technical, economic	
Working closely with the management to develop a consistent investment plan		
Directly managing updates and amendments of the approved investment plan	Legal, technical, economic	



**Effectiveness: Very high;** this is a common feature of all the POs who reported the successful implementation of an OP.



**Replicability: High;** it is possible and preferable to envisage more or less structured teams in other sectors from the very first stages of the OP design, implementation and monitoring process. This will allow internal knowledge to develop over time in the different organisations, as has happened in the fruit and vegetables sector.



**Time needed: Very long;** it takes time to develop internally the necessary expertise to carry out the most complex tasks. Employees need to become familiar both with the internal structure of the PO (the members and their needs/specificities) and with the external elements to be analysed (legal and technical requirements, competent authorities' offices, procedures related to requests for changes in the OP, etc.). When the PO aims at delegating more complex activities to a person or a dedicated team, more time is generally needed to identify, select and hire the right professional profiles in the PO or to train PO members that are part-time farmers. This process can, in some cases, take more than a year, but typically at least 4-6 months.



**Cost: High;** the need to ensure adequate compensation for the employees involved is critical. Compensation levels will depend on the level of autonomy and how many of the activities carried out are strategic. Some POs reported that the expertise required needs to be well paid. However, often the salary of a well-paid technician is lower than the likely losses if a technical team is not sufficiently competent. It should be noted that up to 2 % of the OP budget can be used to finance the administration of the programme and personnel costs. Some necessary activities are very time consuming (collection of information from members, liaison with the competent authority, controls and audits) and having a dedicated person or team to carry out these activities increases efficiency and avoids the management becoming distracted by low value-added activities.

## 4.5 Good Practice 5 – High quality leadership



Many POs say that a key success factor for their organisation when dealing with the typical problems related to OPs, is the **experience of their leader, usually the Chairman or the CEO**. Effective leadership helps to build trust among members and leads to effective communication about the importance of the OP, its correct implementation and the need to properly carry out the monitoring activities. The leadership of the PO should also be able to mediate between the individual members' priorities and provide clear strategic guidance.

**Usually, POs have in the pivotal role a producer or a former producer, with a proven track record, a good reputation and trust among the members.** Despite its role in facilitating agreement among the members and in effectively sponsoring the PO strategy, the leadership must also keep their attention on the day-to-day running of the PO, without being too involved in non-core activities. Following these principles during the implementation of an OP can enable the smooth and predictable realisation of subsequent OP stages. This approach also means that the management board or the CEO does not need to become unnecessarily embroiled in reconciling the needs and interests of members.

Finally, **another key role of the leadership of the PO is the ability to bring people together**. Even when the PO is made up of many members, consensus in the decision-making process is still possible if the top management has sufficient political skill and a good awareness of the different needs to be taken into account. The same characteristics are also crucial in addressing problems, most of which are usually solved within a small circle of members and well before they escalate.

Of course, **not all these competences and skills need to be held by one individual, sometimes they can be shared within the Management Board**, with some representatives more effective in achieving consensus, while others are able to inspire and provide guidance. It is possible to develop the necessary skills through training (e.g. communication and mediation skills) where they are not already available within the leadership group.



**Effectiveness: High;** the importance of leadership able to mediate and engage members is key for the successful design and implementation of the OP.



**Replicability: Low;** the actual replicability is difficult to assess, since it depends on the characteristics of the top management in each individual organisation, as well as on the level of cooperation and trust existing among the members. However, it is possible to develop some of the necessary skills through training if they are not already present.

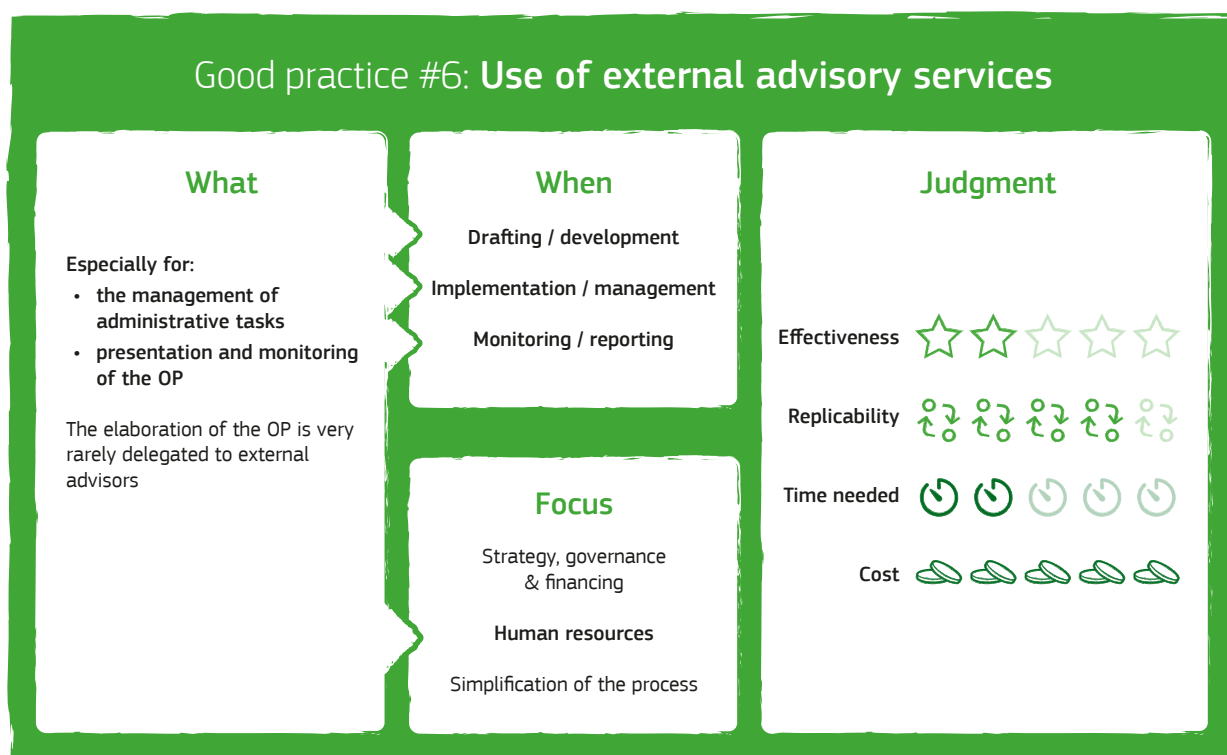


**Time needed: Medium;** finding a good, charismatic leader is not always possible, since in most cases the choice is limited – at least in the initial stages – to the current members of the PO. If the most charismatic people within the constituency of the PO are not willing, or are unable, to take the lead of the organisation, temporary solutions could be adopted including training to develop certain skills (e.g. communication and mediation).



**Cost: Low;** the only cost to be considered is any necessary training.

## 4.6 Good Practice 6 – Use of external advisory services



The **use of external advisors and consultancy companies, especially for the management of administrative tasks, the presentation and monitoring of the OP** was indicated as a good practice by a large share of POs. This approach allows direct access to knowledgeable experts, especially where the internal team is relatively inexperienced.

While some POs reported that the activities carried out by consultancy companies are generally wide, including interaction with competent authorities and management of the dossiers, other POs generally tend to manage the key activities (elaboration of the strategy, communication with competent authorities, etc.) internally while they externalise administrative tasks (e.g. monitoring, reporting, etc.).

However, **the design of the OP** (definition of strategies, identification of the relevant measures and actions to pursue them) **is very rarely delegated to external advisors**. These tasks are usually carried out within the governance structure of the PO, often with the help of the staff dedicated to the PO. In these cases, external advisors might just provide indications on the most suitable actions to be included in the programme.

That said, **smaller POs tend to rely more on external advisors** because they lack internal expertise on certain topics (e.g. legal aspects) and have smaller internal teams dedicated to the OP.

An additional advantage reported is that by working with advisors that follow many OPs for different POs, it is possible to draw on a wider set of experiences and successful examples. It is often the case that consultancy firms organise meetings with people from different POs, and this is helpful to learn about what other POs are doing, or about the challenges they are facing and how they solve them.



**Effectiveness: Low;** even though this is a widely used good practice the use of external consulting companies appears more as a way to reduce the burden on POs and their dedicated teams, rather than as a way to add value to the OP and its development. Usually, external consultants take care of some administrative aspects related to the presentation of the programme or its monitoring, and their most value-adding activity is providing advice on the possible actions that can be included in the strategy. In this respect, **the real good practice is the choice not to delegate key strategic activities to them, but to keep these within the top management of the PO.**



**Replicability: High;** once consultants become knowledgeable about the possible distinctive features of OPs in other sectors, the practice can be easily replicated.



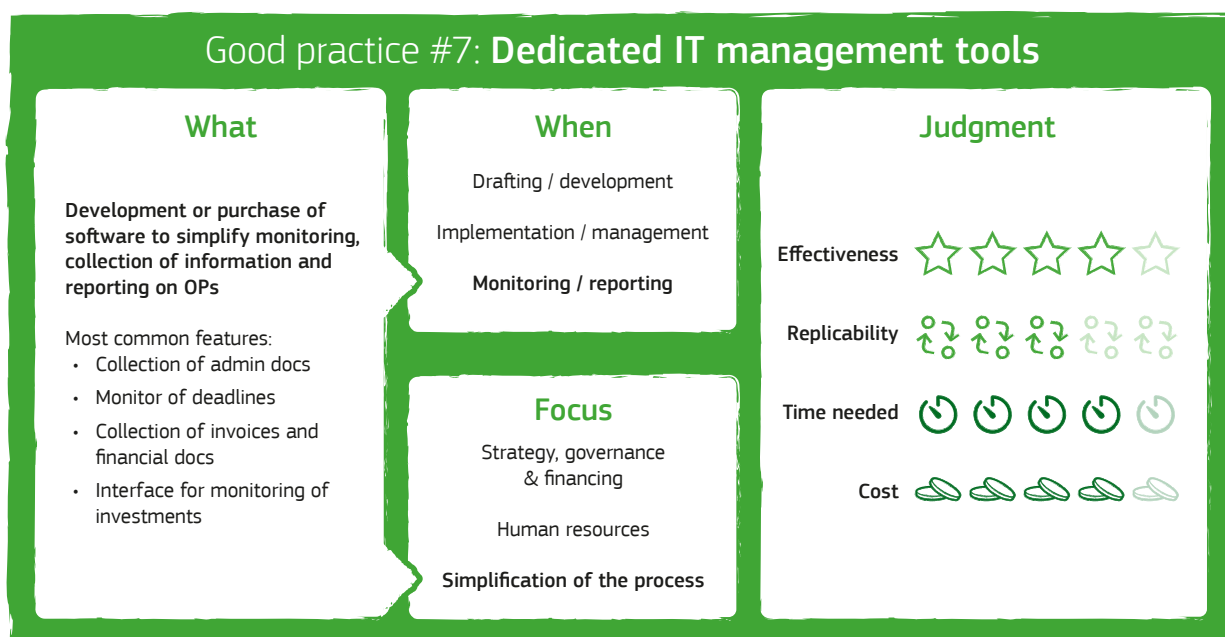
**Time needed: Short;** generally speaking, external consultancy companies are hired to provide the specific skills required to solve a problem quickly. However, some time is needed to select the right consultant, to ensure that their approach is consistent with that of the PO, and to finally establish a good working cooperation.



**Cost: Very High;** as already noted for [good practice n.4 – Dedicated point of contact](#), highly skilled professionals are relatively expensive. Consultancy companies are well aware of the added value that they can bring to their clients, and usually their cost is higher than the cost of hiring internal resources.



## 4.7 Good Practice 7 – Dedicated IT management tools



Some POs mentioned as a good practice the **development of their own information technology solutions and software**. These solutions are **aimed at simplifying the burden for the POs in terms of monitoring, collecting information and reporting on OPs**. In some cases, additional, more advanced features are also built in to meet specific needs.

### Activities and features of administrative software for the OP

#### The most common features of the software are:

- ▶ Collection of the administrative documents related to the OP;
- ▶ Monitoring of the deadlines (e.g. related to the presentation of the OP to the competent authority, to request changes, etc.);
- ▶ Collection of invoices, bank transfers and other documents necessary for financial reporting;
- ▶ Interface for the monitoring of the OP, the related investments and their timing.

#### Additional activities possible through the use of more advanced IT solutions:

- ▶ Updated records for each member of the PO, indicating its whole track record with information and data on scale, production, performance, as well as on its organisation;
- ▶ Tools for the development of the strategy of the OP, allowing the different members to suggest ideas, select the most interesting actions and vote on them;
- ▶ Possibility to prepare ad hoc reports for each member, summarising their commitments and deadlines as well as to check that reporting is carried out correctly.

In order to carry out meaningful monitoring, it is important to have detailed information on the initial situation of POs prior to the start of OP implementation. This assessment (in terms of the size and type of production, distribution channels, employment, and infrastructure owned by the PO and its members) can be carried out much more easily with the help of dedicated software.

While relatively simple software is sometimes developed by the PO, in other cases, solutions are purchased or developed to meet specific needs by third parties. The cost of software solutions is highly dependent on how it is developed and used, but is considered low in comparison to the benefits that it brings for the overall management of OPs.



**Effectiveness: High;** software solutions are recognised as potentially simplifying considerably the administrative burden for the POs.



**Replicability: Medium;** the approach can be easily transferred to other sectors, although any differences between OP administrative requirements in the fruit and vegetables sector and those in other sectors will need to be borne in mind by POs and software developers.

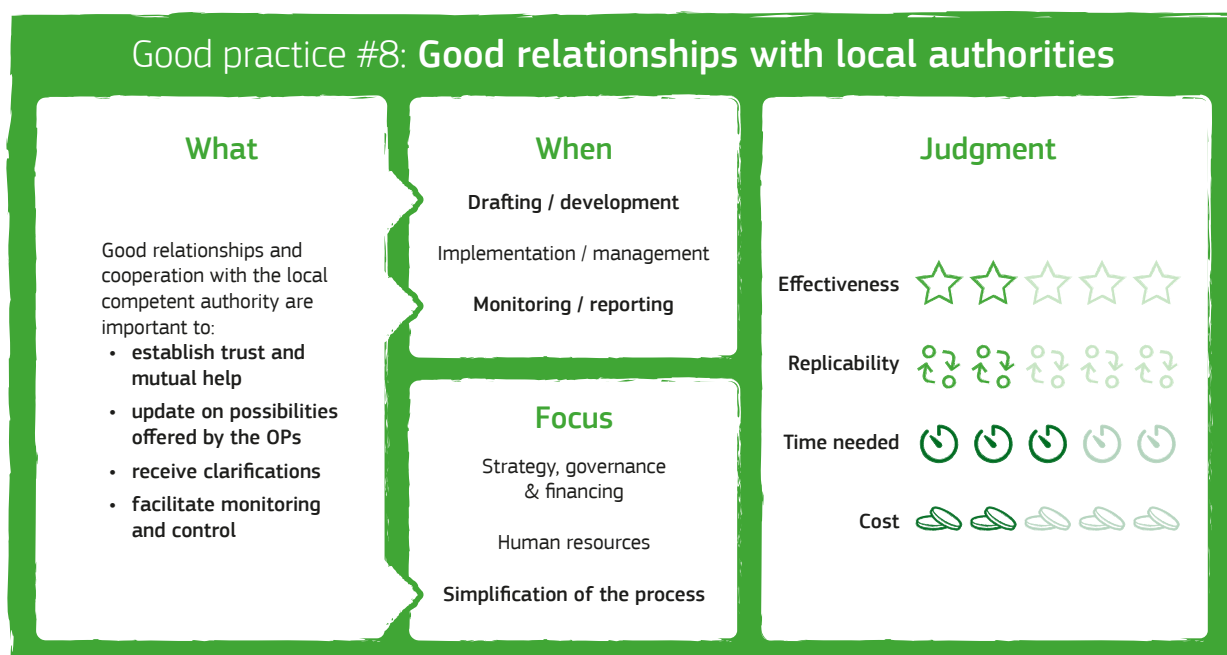


**Time needed: Long;** generally speaking, the identification, design, implementation and adoption of specific IT solutions can be a rather long process. This is because in most cases the PO has only general knowledge of its needs, and most of the technical solutions are developed through a learning-by-doing process. This is true both where software is developed internally, and where it is outsourced to an external service provider. Outsourcing can however reduce the time needed due to the specific expertise.



**Cost: High;** the need for specific technical ability, whether within the PO or provided externally, together with the fact that any effective solution needs to be (at least) tailored to the specific features of the PO, can result in high costs.

## 4.8 Good Practice 8 – Good relationships with local authorities



The relationship between POs and local competent authorities can be delicate. Some POs reported poor communication and low levels of cooperation. The sort of problems identified included:

- ▶ frequent changes in the people dealing with OPs within the competent authorities, with the result that most of the unwritten (but important) information needs to be repeated regularly to the new person in charge;
- ▶ lack of support/guidance in understanding new regulations;
- ▶ problems during the monitoring of the OPs, where the process is seen as being excessively bureaucratic and competent authorities sometimes provide different interpretations of the regulation.

That said, several POs stressed how **good relationships and cooperation with the local competent authority are important to establish trust and mutual help**, to be informed about possibilities offered by the programmes, to receive precise guidance around the interpretation of the relevant legislation and to facilitate the monitoring and control activity performed by the authority.

Good cooperation helps POs to better focus their efforts, to be efficient in the preparation of the OP, as well as in minimising problems during its management. In selected cases, the cooperation included the creation of web portals for the management of the OPs, so that POs were aware from the very beginning of new procedures. In other cases, specific web or dedicated telephone numbers were created by the competent authority to assist POs with the administrative process and in the interpretation of the regulation.

POs have the possibility to play a role in building trust with local competent authorities through attending meetings and webinars where the authority provides information about new regulations, as well as practical suggestions to deal with the OP and how to properly carry out monitoring activities and reporting. Another effective solution is to identify a reference contact person in the PO (*see also good practice n.4 – Dedicated point of contact*) to act as the sole voice for the PO in dealings with the competent authority, thus ensuring effective communication, and that a track record of information provided is maintained. This solution also provides assurance to the local authority that they will not have to repeat the same clarifications to different PO representatives. Finally, POs themselves can promote the organisation of meetings between POs to which local competent authorities can also be invited to address common questions and concerns, and to collect information in an efficient way. Sometimes these meetings are organised with the help of external advisory companies, since these are often in contact with several POs and are aware of the issues that are likely to require clarification.



**Effectiveness: Low;** even though cited by some POs, actual effectiveness is not considered by POs to be as high as that of other practices.



**Replicability: Low;** its replicability to other sectors – but also within the same sector in different contexts – really depends on specific situations: organisational mechanisms, communication activities and people involved; such elements may change very much from one context to another and cannot be taken for granted.

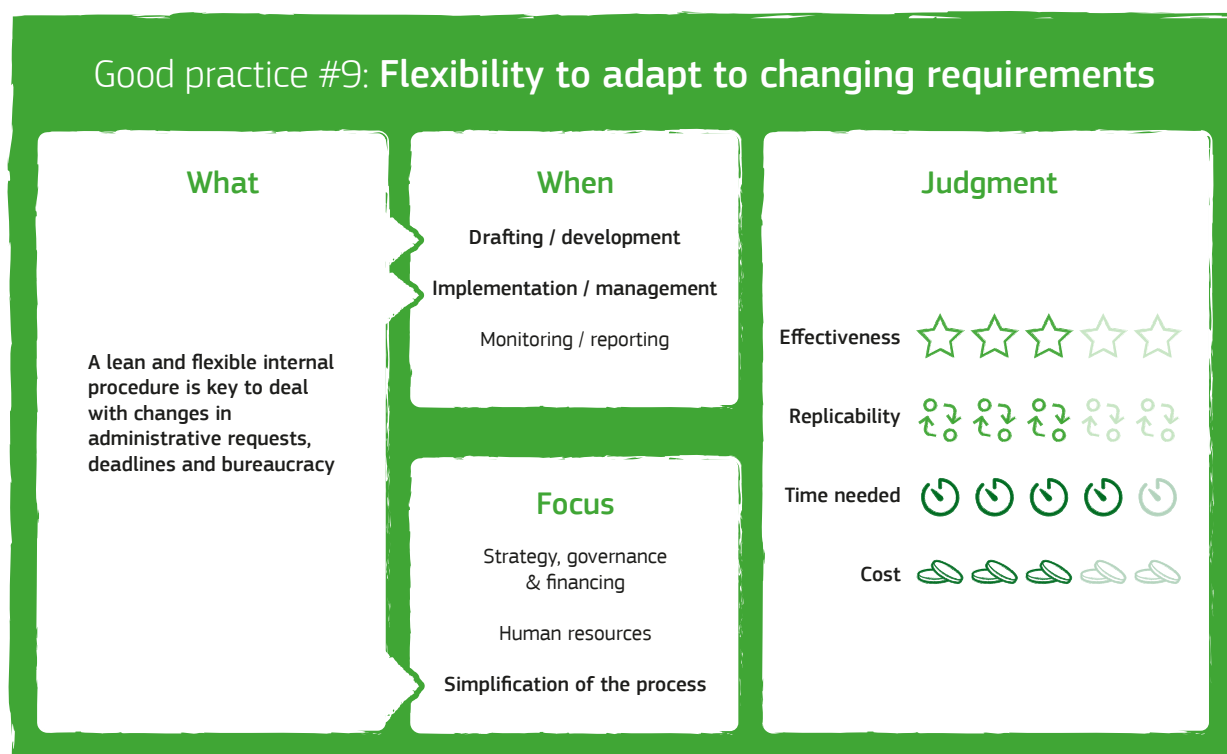


**Time needed: Medium;** this is variable and depends on the existing relationship (if any) between the organisation and the local competent authorities. Even where good relationships already exist, the process related to OPs is usually dealt with by dedicated officers. As a result, some time is needed to build mutual trust between the PO and the local authority to start understanding the needs of both parties (in terms of procedures, information, etc.) and to establish a fruitful cooperation.



**Cost: Low;** no investment is required, other than the time spent by the PO employees that have responsibility for managing the relationship. This time includes liaising with the competent authorities' representatives, but also in an in-depth study of the new procedures required by legislation, so that the talks with the competent authorities can be focused on problems and not on explaining elements that the PO should already be aware of.

## 4.9 Good Practice 9 – Flexibility to adapt to changing requirements



The most common challenge of OPs is the difficulty in adapting internal procedures to changing requirements by competent authorities. Specifically, often the administrative requests in terms of legal documents and deadlines change at short notice. As a result, POs pointed out that **a lean and flexible internal procedure is very important in being able to deal with these changes** and to not get stuck in the process.

Flexibility in the overall approach to the OP is hence key, it is also important to be able to adapt to changes in both the legislation and administrative requirements. This means that POs **should be prepared to change internal procedures where necessary to adapt**.

Solutions to deal with adapting to changes include a close and constant monitoring of the OP regulation, analysis of the relevant changes from one year to another and the prompt activation of countermeasures. This can be done either by internal dedicated teams (see [good practice n. 4 – Dedicated point of contact](#)) and/or by external advisors (see [good practice n. 6 – Use of external advisory services](#)).

Key changes in the regulation could affect the availability of specific actions, i.e. excluding some categories previously allowed and introducing new ones, as well as the administrative requirements. It is important that communications from the PO to its members makes them aware of relevant changes and helps guide them towards new options.



**Effectiveness: Medium;** more than a good practice strictly speaking, this is the most common and effective solution to possible changes in the relevant legislation once the programme has started.



**Replicability: Medium;** this solution could be easily replicated in other sectors.

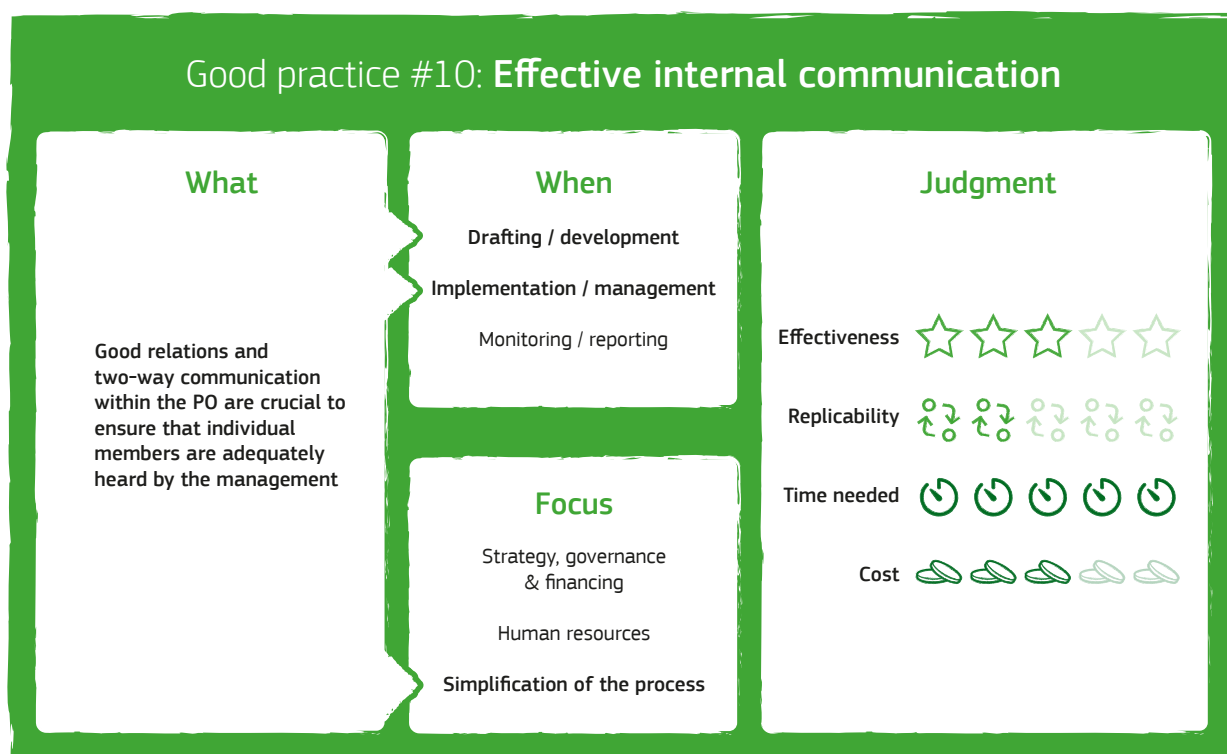


**Time needed: Long;** no conclusions can be drawn on the time needed to develop an internal organisation that is flexible enough to deal with changing requirements. However, a flexible approach usually requires the involvement of different levels of the PO's governance and management structure, and a high degree of communication and agreement between management, technical staff and members. As a result, the time dimension can be expected to be medium-long (9-24 months) in most cases.



**Cost: Medium;** as already seen in a number of previous good practices, there is no specific cost associated with this practice. However, the time needed for the different levels of the PO's governance and management structure to fine-tune an internal system so that it is effective, efficient and flexible should not be underestimated.

## 4.10 Good Practice 10 – Effective internal communication



Partially related to other good practices (namely [good practice n.1 – Appropriate governance system](#) and [good practice n.5 – High quality leadership](#)), all the analysed POs in the fruit and vegetables sector highlighted how **good relations and two-way communication within the PO** are crucial to ensure that individual PO members are adequately heard by the management and that the key steps in the implementation of the programme (including reporting, investments, etc.) are carried out with commitment at the farm level.

Despite the fact that all the POs take their decisions following members' votes, in the vast majority of cases decisions are taken unanimously. This is possible thanks to:

- ▶ strong representativeness of the members by the Board of Directors;
- ▶ strong participation of the members in the development of the strategy and the OP;
- ▶ clear rules, accepted by all the members, on the allocation of the budget of the OP;
- ▶ pre-discussion through formal or informal meetings of the key aspects to be voted on; and
- ▶ a draft OP shared in advance with the representatives of the cooperatives/companies.

The same approach applies to APOs: the different POs can contribute to the design of the strategy and discuss the key elements/concerns regarding the OP. On the other hand, the APO facilitates the process, provides guidance and assistance in the organisation of process and guarantees equal participation of the members.

Two-way communication is also important at a more practical level: some POs reported that another success factor is **the provision of accurate reporting information by members** to enable them to plan properly and adjust their production potential to the demand and investment needs of their production, both on their holdings and in the PO. Information includes changes in planted crops, parcels on which crops are grown, plans to sell or increase the production area, etc.



**Effectiveness: Medium;** a good level of communication is often reported as one element able to facilitate both the design stage of an OP and its actual implementation. In this respect, the largest POs usually put in place specific strategies (e.g., the establishment of structured, dedicated teams also dealing with communication between the PO and its members) to fill in the gap between the top management and the high number of members. On the other hand, smaller POs tend to carry out continuous direct communication more informally.



**Replicability: Low;** as for the previous practices, its replicability really depends on the actual relationships existing in POs operating in other sectors.



**Time needed: Very long;** among the different good practices identified, this is often the one that can take the longest to be adequately implemented. The establishment of good and fruitful relationships, as well as the constant promotion of clear and value-added communication within the organisation, are usually practices that require time to be developed and that, once developed, need continuous monitoring and attention to be further enhanced.



**Cost: Medium;** because of the generally long time related to the development of good relationships, the time spent by several figures within the PO in dealing with the OP should be considered as the most important financial cost.



# CHAPTER 5

## Examples of actions to consider in your Operational Programme

**This chapter describes examples of actions that POs can implement under selected types of interventions. The examples are described in dedicated fiches included in Sections 5.1 – 5.4.**

You can find out more about the eligibility criteria to establish a PG/PO in [Chapter 1](#) and how OPs are financed in [Chapter 2](#). [Chapter 3](#) explains how to start an OP and [Chapter 4](#) provides some good practices for effectively developing an OP within a PO.



In their CAP Strategic Plans, Member States select types of interventions that are available for POs under an OP (see [Chapter 2](#)). A PO can design an OP to implement specific actions (investments or other activities) linked to more than one type of intervention to achieve the desired outcomes.



Consult with representatives in your country about the interventions available in your sector in your country (see contact details in [Annex 1](#)).

The examples of actions provide context and insight into the real-life situations faced by organisations across sectors and Member States, with the aim to inform and inspire the design of future OPs.

For example, an OP could be used to implement the following actions:

- ▶ support the construction of a slaughterhouse (intervention type: improving market efficiency and collective storage of products);
- ▶ invest in solar panels (intervention type: improving environmental sustainability);
- ▶ implement a product quality certification (intervention type: improving quality and traceability);
- ▶ technical services in genetic improvement (intervention type: advisory services, technical assistance and coaching).

Examples of actions described in dedicated fiches, which are linked to selected types of interventions and are grouped according to the objectives they pursue:

- ▶ improve efficiency of market volume management, and collective storage and processing of products;
- ▶ increase environmental sustainability;
- ▶ improve product quality and traceability;
- ▶ provide advisory services, technical assistance, and coaching.

The figure below shows the examples of actions presented in the fiches and their links to types of interventions that may be included in OPs.

**Figure 4: Types of intervention and examples of actions described in the fiches.**





## 5.1 Types of interventions that aim at improving the efficiency of market volume management, and collective storage and processing of products

The aims of these types of interventions are to:

- ▶ increase producers' control over different stages of the supply chain, crisis prevention and risk management to address market disturbances;
- ▶ support viable farm income and resilience for long-term food security and agricultural diversity;
- ▶ enhance market orientation and farm competitiveness through research, technology, and digitalisation, and improve the position of farmers in the value chain.

These objectives can be achieved in several ways; for example, through vertical integration where a PO processes products to capture more added value from the supply chain. Other examples include collective processing to facilitate the storage of products.

Examples of specific actions that fall within these intervention types include:

- ▶ construction of own slaughterhouses to provide vertical integration;
- ▶ storage of product to allow the better matching of supply to demand, supply guarantees and production planning in terms of quantity and quality;
- ▶ IT-based production planning tools that allow promotion and marketing initiatives, such as developing websites;
- ▶ optimisation of product collection logistics.

Real examples of actions that would fall under these types of interventions are listed in the table below and described in the dedicated fiches.

Types of interventions	Examples of actions
Investments in assets for efficient market volume management <sup>20</sup>	Acquiring/building a slaughterhouse
	Creation of a digital tool for farm management
Collective storage and processing of products <sup>21</sup>	Investment in facilities for crop conditioning
	Acquisition of storehouses for improving logistics

<sup>20</sup> Type of intervention 2(b) - Reg. (EU) 2021/2115 - art. 47

<sup>21</sup> Type of intervention 2(c) - Reg. (EU) 2021/2115 - art. 47

Action  
fiche

01

## Acquiring/building a slaughterhouse



### Type of intervention

Investments in assets for efficient market volume management



### Purpose of the actions under this type of intervention

- ▶ to increase producers' control over different stages of the supply chain, crisis prevention and risk management to address market disturbances;
- ▶ supporting viable farm income and resilience for long-term food security and agricultural diversity;
- ▶ enhancing market orientation and farm competitiveness.



### Outcome of the actions under this type of intervention

**To improve the competitiveness and profitability of the businesses involved while enabling better market responsiveness and adaptability**



### Overview of the action

The cooperative would like to invest in a slaughterhouse to add value to members' production, and therefore increase producers' income. The ability to invest is constrained by a lack of financial resources. Having access to EU funding, such as that available through the establishment of an OP, would provide a source of concrete financial support to the cooperative.



**Country:** Italy  
**Sector:** Beef and veal  
**Cooperative members:** 100 - 500  
**Annual marketed production (value):** > EUR 5 Million and < EUR 50 Million  
**Number of Employees:** > 10 and < 50 employees



### How did the organisation start its activities?

The cooperative was originally established in 1985 as an association with more than 4 000 members and became a cooperative enterprise in 2006. The Cooperative itself was originally created as a way of improving relations among operators in the sector, before taking up a more active role on the market.



### What are the main activities performed by the organisation?

Members of the cooperative are cattle farmers producing fattened young calves. The commercial activities are at the core of the cooperative and allow the members to add value to their production. As a core business, the cooperative purchases young calves and sells them to its members for fattening. In turn, the cooperative buys fattened calves from member farms and sells them to slaughterhouses/processing facilities. Additionally, the Cooperative provides technical assistance, especially in the field of labelling and quality management, to members and participates in research projects in the field of environmental sustainability applied to the livestock farming sector. The cooperative has no vertical integration with further stages of the supply chain. Members are farmers or associations of farmers, and no processors are involved in the cooperative at present.



### What actions could benefit from the availability of an Operational Programme?

To further develop its business, the cooperative would like to invest in a slaughterhouse. Investment in this activity is currently prevented by a lack of financial capacity. Having access to EU funding, such as through the establishment of an OP, would provide a source of concrete financial support to the cooperative.

Apart from the investment in acquiring a slaughterhouse, the cooperative is also interested in an OP in order to implement activities related to:

- ▶ marketing to promote the product of the members;
- ▶ mitigating the carbon footprint of livestock farming (presented in this Handbook as a separate fiche under 'actions for climate change').



### What are the expected outcomes of the actions?

The OP would support the PO to achieve important expected outcomes, namely:

- ▶ **shortening of the supply** chain with direct interaction with the downstream levels of the value chain;
- ▶ adding value to members' production, and therefore **increasing income and profitability**;
- ▶ improving **competitiveness** by strengthening the cooperative's **position in the value chain**, thereby improving its medium and long-term competitiveness (through modernisation of the production processes and vertical integration in the supply chain);
- ▶ improving **market management** by enhancing the **market orientation** of the cooperative and matching supply to perceived demand;
- ▶ increasing **product quality** enabling to commercialise into higher value markets;
- ▶ ensuring the continuity of the cooperative's projects and to support the expansion of its scope of activity;
- ▶ positively impacting the long-term **sustainability** of the cooperative's activities from the **economic, environmental, and social perspectives**.

Finally, the PO will need to develop relevant skills to manage effectively all slaughterhouse operations, emphasising the importance of well-distributed responsibilities and capabilities.



### What is the opinion of the organisation on the opportunity offered by the OP?

*"The opportunity to access funding under an Operational Programme could increase members' engagement and make them realise the importance of aggregation in terms of long-term planning and overall sustainability of their business..."*



## Creation of a digital tool for farm management



### Type of intervention

Investments in assets for efficient market volume management



### Purpose of the actions under this type of intervention

- ▶ to increase producers' control over different stages of the supply chain, crisis prevention and risk management to address market disturbances;
- ▶ supporting viable farm income and resilience for long-term food security and agricultural diversity;
- ▶ enhancing market orientation and farm competitiveness.



### Outcome of the actions under this type of intervention

**To improve the competitiveness and profitability of the businesses involved while enabling better market responsiveness and adaptability.**



### Overview of the action

The PO intends to invest in a digital tool for production forecasting and information exchange, enhancing traceability and farm performance. The primary aim is to enhance farm performance, revenue and competitiveness by improving production planning, information exchange, traceability, and by providing access to tailored technical and farm management assistance for members.



<b>Country:</b>	France
<b>Sector:</b>	Pig meat
<b>PO members:</b>	> 5 000
<b>Annual marketed production (value):</b>	> EUR 100 Million and < EUR 500 Million
<b>Number of permanent employees:</b>	> 100 employees





### How did the organisation start its activities?

The history of the PO starts with the creation of a cooperative at the end of the 19th century when a group of farmers came together to form a union to support and empower their collective efforts in agriculture. As time passed, cooperatives across various sectors emerged and joined forces bringing together farmers from diverse sectors such as vegetables, poultry, dairy, sheep, goats, beef, and pork under a unique multi-specialised cooperative. The PO, recognised in 2018, was created to support the work of members specialised in pig meat production.



### What are the main activities performed by the organisation?

The PO's primary activity involves marketing livestock for pig meat production. The PO purchases pigs from its members and negotiates with slaughterhouses, processors, and distributors to leverage economies of scale to maximise bargaining power. Additionally, the PO actively seeks new market opportunities, offers technical and economic advice, and manages feed and material supply.



### What actions could benefit from the availability of an Operational Programme?

The PO plans to invest in a digital tool that enables members to forecast production two to three months in advance, allowing them to adapt marketing strategies. They aim to expand the tool's functions for digital information exchange, including animal veterinary treatments, to enhance traceability and monitoring. This will improve farm performance and revenue by streamlining production management and facilitating more responsive, accurate technical advice. Additionally, the PO plans to invest in technical and farm management assistance for members, as detailed in the ['Technical and farm management assistance for new farmers'](#) fiche.

There are various types of digital tools that the PO would invest in to help with forecasting production, adapting marketing strategies, and enhancing traceability and monitoring in agriculture:

- ▶ farm management software that manages various aspects of farming and marketing strategies;
- ▶ crop forecasting tools to predict crop yields based on factors such as weather, soil conditions, and historical data;
- ▶ traceability and monitoring systems that track crop production and supply chain data, enabling better visibility and accountability throughout the entire process;
- ▶ marketing and pricing tools that help farmers analyse market trends, optimise pricing strategies, and connect with potential buyers;
- ▶ veterinary and animal management software that assist in managing livestock health, treatments, and record-keeping, thus supporting traceability and overall farm management;
- ▶ collaboration platforms that facilitate communication and information exchange among farmers, POs, and other stakeholders in the agricultural sector.



### What are the expected outcomes of the actions?

The expected outcomes of investments in digital tools include:

- ▶ Improved **competitiveness** by streamlining market management enabled by digital tools that assist with planning and organising production quantity, optimising production costs, and providing accurate forecasting, market insights and real-time data. This allows producers to make more informed decisions about production, marketing, and overall management.
- ▶ Improved **product quality** through digital monitoring and traceability systems that ensure compliance with food safety regulations, track product quality throughout the supply chain, and enhance consumer trust.



### What is the opinion of the organisation on the opportunity offered by the OP?

*"... the Operational Programme could support the activities that aim to predict volumes of production, and will provide finance to allow investments regarding animal welfare, environment, animal health (reduction of antibiotics), and biosecurity (including repopulation)"*



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03

## Investment in facilities for crops conditioning



### Type of intervention

Collective storage and processing of products



### Purpose of the actions under this type of intervention

- ▶ concentrating supply enabling cost savings;
- ▶ efficient distribution and marketing of the products;
- ▶ improved product quality;
- ▶ risk management.



### Outcome of the actions under this type of intervention

**By combining resources, producers can improve their competitive position and create new opportunities in the market.**



### Overview of the action

Investment in crop conditioning facilities involves allocating resources towards infrastructure and equipment for cleaning, drying, storing, grading, processing and transporting crops. Such investment will ultimately improve product quality, reduce losses and enhance marketability for producers.



**Country:** Austria  
**Sector:** Protein Crops  
**Cooperative members:** 100 to 500  
**Annual marketed production (value):** > EUR 5 Million and < EUR 50 Million  
**Number of permanent employees:** < 10 employees



### How did the organisation start its activities?

The cooperative was formed as a response to the dissolution of a previous organic grain marketer, which left a void in the market for farmers. A group of farmers came together and established the cooperative with the primary goals of jointly marketing their crops, constructing storage facilities, and providing support to their members. The cooperative aimed to increase efficiency and profitability for its members while promoting sustainable and organic farming practices.



### What are the main activities performed by the organisation?

The cooperative acts as a central market catering for small farms. It markets crops for human consumption, animal feed, protein crops and by-products, utilising a combination of collective and commercial storage facilities for processing and storage. The cooperative's primary objective is to secure the best possible prices for members' crops while supporting the regional economy and small farms.



### What actions could benefit from the availability of an Operational Programme?

The lack of a dedicated processing system is considered a current bottleneck in organic production in the region. The organisation would like to own storage and processing facilities to address this and reduce costs for its members. A system for processing crops requires high initial investment, which is not feasible for small, individual farmers. The acquisition of equipment designed to prepare harvested crops for storage, sale, or further processing would include:

- ▶ cleaning and sorting equipment to remove debris, dirt, and unwanted materials from the crops, as well as to sort them based on size, quality and other attributes;
- ▶ drying systems to reduce the moisture content of crops, such as grains and pulses, to ensure safe storage and prevent spoilage;
- ▶ grading and packaging equipment to classify crops based on quality standards and prepare them for sale or transportation by packaging them in appropriate containers;
- ▶ quality control and testing labs to ensure that the crops meet safety and quality standards before they are stored or sold;
- ▶ transportation infrastructure to facilitate the efficient movement of crops between conditioning facilities, storage sites, and marketplaces.



### What are the expected outcomes of the actions?

The investment would contribute to the overall objective of concentrating supply and placing on the market of the products, aimed at avoiding disturbances in the markets. Having its own facilities for crop conditioning can provide a cooperative with several advantages, including:

- ▶ supporting viable **farm income** by reducing the costs associated with outsourcing crop conditioning services, resulting in increased overall profitability for the cooperative members;
- ▶ increasing **bargaining power** with buyers by aggregating production and with suppliers by increasing scale;
- ▶ increasing **product quality** by maintaining control over the entire process, ensuring that the highest quality standards are met, and that members' crops are handled according to best practices;
- ▶ increasing **resilience** by tailoring facilities and processes to meet the specific needs and preferences of the cooperative members, leading to more efficient and targeted crop conditioning operations;
- ▶ enhancing **market orientation** and increasing farm **competitiveness** by reducing transportation and processing times, allowing the cooperative to bring products to market more quickly and by responding to market demands in a timely manner.



### What is the opinion of the organisation on the opportunity offered by the OP?

*"...The Operational Programme could support the stabilisation of prices and coordinate production quantity to conform to demand, in so far as that would help raise prices."*





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04

## Acquisition of storehouses for improving logistics



### Type of intervention

Collective storage and processing of products



### Purpose of the actions under this type of intervention

- ▶ concentrating supply enabling cost savings;
- ▶ efficient distribution and marketing of products;
- ▶ improved product quality;
- ▶ risk management.



### Outcome of the actions under this type of intervention

**By combining resources, producers can improve their competitive position and create new opportunities in the market.**



### Overview of the action

This action is about acquiring storage facilities, such as warehouses or silos, to improve the logistics of handling, storing and transporting agricultural products. By investing in these facilities, the goal is to optimise the supply chain, increase efficiency and potentially reduce costs for farmers, POs, or cooperatives.



**Country:** Italy  
**Sector:** Protein Crops  
**PO members:** 500 - 1000  
**Annual marketed production (value):** > EUR 5 Million and < EUR 50 Million  
**Number of permanent employees:** > 10 and < 50 employees





### How did the organisation start its activities?

The organisation of producers started as a cooperative in 1960 with the goal of enhancing members' production and providing services such as harvesting and drying forage crops, particularly alfalfa. In 1972, it expanded its activities by founding a sugar beet production organisation. Following a crisis in the sugar beet industry in 2005, the organisation pivoted to producing certified alfalfa seeds. The PO now coordinates seed and forage production activities under the same governance, encompassing both entities.



### What are the main activities performed by the organisation?

The PO focuses its activities on certified crop seed production, managing the entire value chain: from purchasing seed varieties to selling them back to seed companies after multiplication. Members handle cuttings, forage crop harvesting, processing, sanitisation and dehydration, while the PO commercialises the final product and guarantees the best market price. The PO currently rents storehouses for its products and considers purchasing storage facilities important to develop its autonomous logistic processes. Additionally, the PO offers advisory services, educational materials, and raises awareness about potential risks and pathologies.



### What actions could benefit from the availability of an Operational Programme?

The PO would benefit from an OP to improve its logistics and traceability capabilities by investing in storehouses and a digitalised system for seed certification. In particular, the PO would like to:

- ▶ Invest in the acquisition of storehouses for improving logistics. The storehouses would be instrumental for centralising storage. This would allow the optimisation of the management of both forage and seeds, the control and monitoring of storage conditions, and would increase the flexibility to respond to changes in market demand.
- ▶ Invest in the development of new software able to use land registry data and geographical coordinates to track the origin of crops and to certify seeds.



### What are the expected outcomes of the actions?

The actions would contribute to the overall objective of concentration of supply and placing on the market of the products, and at improving the farmers' position in the value chain. In particular, the actions will:

- ▶ Make processes more efficient and reduce transportation costs, as products can be shipped directly from the storehouses to customers or distribution points.
- ▶ Enable the PO to implement better inventory management practices, such as tracking stock levels, expiration dates, and product movement. This can help to reduce waste, ensure the timely replenishment of stock and allow for a more accurate forecasting of future demand.
- ▶ Allow the control of storage conditions, such as temperature and humidity, which can be crucial for maintaining the quality of forage and seeds. This can help to prevent spoilage or degradation of products and ensure that they reach customers in an optimal condition.
- ▶ Make more effective the response to changes in market demand or customer requirements. This can include scaling storage capacity up or down, adjusting product mix, or altering distribution strategies as needed.
- ▶ Allow the integration of storage and logistics operations with other systems, such as supply chain management, transportation, or sales platforms. This can lead to improved data visibility, better decision-making, and more efficient processes across the organisation.



### What is the opinion of the organisation on the opportunity offered by the OP?

*"... The Operational Programme's financial support can expedite the implementation of innovative projects, including storehouse acquisition, seed tracking software development, and the adoption of energy-efficient technologies."*

## 5.2 Types of interventions that aim at increasing environmental sustainability

The aims of this type of intervention are to:

- ▶ reduce greenhouse gas emissions;
- ▶ promote resource efficiency;
- ▶ preserve biodiversity;
- ▶ reduce air, water and soil pollution;
- ▶ foster sustainable agriculture and food systems;
- ▶ promote high animal welfare standards;
- ▶ enhance resilience to environmental risks.

These objectives can be achieved with a combination of strategies and approaches, for example, through organic farming by avoiding synthetic fertilisers and pesticides and using natural methods for soil enrichment and pest control. These objectives can also be achieved by using practices that promote animal welfare, reduce greenhouse gas emissions and minimise waste; adopting water-saving techniques; and, reducing food waste by improving storage, transportation, and marketing practices.

Examples of specific actions that fall within these intervention types include:

- ▶ implementing strategies to reduce emissions in beef production to lower the carbon footprint;
- ▶ assessing the carbon footprint to inform decision-making for more sustainable practices;
- ▶ building new feedlots to contribute to animal welfare and reduce environmental impacts;
- ▶ obtaining animal welfare certification to higher welfare standards;
- ▶ shifting to renewable energy sources.

Real examples of actions that would fall under these types of interventions are listed in the table below and described in the dedicated fiches.

Types of interventions	Examples of actions
Actions to mitigate, and to adapt to, climate change <sup>22</sup>	Promote reduction of the carbon footprint
Investments in assets, innovative research, and methods, focusing on biosecurity, animal health, and welfare <sup>23</sup>	Building new feedlots and implementing digital systems to improve animal health and efficiency
	Obtaining animal welfare certification
Investments in assets, research, and innovative methods for enhancing energy savings, efficiency, and renewable energy use <sup>24</sup>	Increasing renewable energy mix and reducing carbon-intensive energy use
Investments in assets and innovative methods for emission and waste reduction, by-product utilisation, and waste management <sup>25</sup>	Developing a centralised biogas/waste disposal centre
	Contracting with specialised waste management companies

<sup>22</sup> Type of intervention 1(i) - Reg. (EU) 2021/2115 - art. 47

<sup>23</sup> Type of intervention 1(a(vi)) - Reg. (EU) 2021/2115 - art. 47

<sup>24</sup> Type of intervention 1(a(iv)) - Reg. (EU) 2021/2115 - art. 47

<sup>25</sup> Type of intervention 1(a(vii)) - Reg. (EU) 2021/2115 - art. 47



Action  
fiche

05

## Promote reduction of the carbon footprint



### Type of intervention

Actions to mitigate, and to adapt to, climate change



### Purpose of the actions under this type of intervention

- ▶ mitigation of climate change by reducing greenhouse gas emissions, enhancing carbon sequestration, and promoting resource efficiency;
- ▶ adaptation to climate change by enhancing resilience of agricultural systems, protecting and restoring ecosystems, and Improving animal welfare.



### Outcome of the actions under this type of intervention

**To enhance environmental sustainability and climate resilience in agricultural systems while reducing greenhouse gas emissions and promoting resource efficiency.**



### Overview of the action

The cooperative would like to collaborate with research institutions, facilitate on-farm trials, and disseminate findings to members, fostering innovation in sustainable practices and technologies that reduce the carbon footprint of beef production. Moreover, the aim of the cooperative is to provide financial support to members to further accelerate the development and adoption of innovative solutions in the beef sector.



**Country:** Italy  
**Sector:** Beef and veal  
**Cooperative members:** 100 - 500  
**Annual marketed production (value):** > EUR 5 Million and < EUR 50 Million  
**Number of permanent employees:** > 10 and < 50 employees



## How did the organisation start its activities?

The cooperative was originally established in 1985 as an association with more than 4 000 members and became a cooperative enterprise in 2006. The cooperative itself was originally created as a way of improving relations among operators in the sector, before taking up a more active role in the market.



## What are the main activities performed by the organisation?

The cooperative is a partner in a European research network focused on reducing the beef carbon footprint across Ireland, France, Italy and Spain.<sup>26</sup> The cooperative members have participated in the core activities of the project to assess the carbon footprint on beef farms, identifying potential mitigation strategies, and supporting farmers and advisers in creating action plans to lower the beef carbon footprint. The cooperative members benefit from this research by adopting tools and strategies to lower the carbon footprint including:

- ▶ using software to evaluate the carbon footprint of their farms, helping them identify areas for improvement and track progress over time;
- ▶ using strategies to optimise livestock feed, such as using additives that reduce methane emissions or by adjusting feed composition.



## What actions could benefit from the availability of an Operational Programme?

The cooperative would like to use OP funding to support its members in adopting sustainable practices and technologies that help reduce the carbon footprint of beef production by implementing the following measures:

- ▶ Organising workshops, seminars, and training sessions to educate members on sustainable practices, technologies, and management strategies that can lower the carbon footprint of beef production.
- ▶ Setting up demonstration farms showcasing successful implementation of sustainable practices and technologies, allowing members to see the benefits and practical application of these measures.
- ▶ Providing grants, low-interest loans, or cost-sharing programmes to help members invest in sustainable technologies and practices, such as precision agriculture tools, renewable energy systems, or methane-reducing feed additives.
- ▶ Offering technical support to members for implementing sustainable practices and technologies, such as assistance with planning, installation, and maintenance of new equipment or systems.
- ▶ Creating a platform for members to exchange experiences, best practices, and lessons learned in implementing sustainable practices and technologies, fostering a supportive community of like-minded farmers.
- ▶ Tracking the progress of members in adopting sustainable practices and technologies and evaluating the impact of these measures on the carbon footprint of beef production. Sharing the results with members to encourage continuous improvement and showcase the effectiveness of these interventions.
- ▶ By implementing these measures, the cooperative can effectively support its members in adopting sustainable practices and technologies that contribute to reducing the carbon footprint of beef production, promoting environmental sustainability and addressing climate change.

By implementing these measures, the cooperative can effectively support its members in adopting sustainable practices and technologies that contribute to reducing the carbon footprint of beef production, promoting environmental sustainability and addressing climate change.



## What are the expected outcomes of the actions?

The envisaged actions would contribute to:

- ▶ **Climate change mitigation and adaptation:** the cooperative's support for sustainable production methods could help reduce greenhouse gas emissions in the livestock sector while fostering greater resilience in farmers' production systems. This approach could contribute to the long-term sustainability and success of the agricultural sector in the face of growing environmental challenges.
- ▶ **Responding to societal needs,** including sustainable production by promoting sustainable practices and technologies. Through the envisaged actions under the OP, the cooperative will demonstrate its commitment to addressing environmental related concerns and will contribute to the development of more environmentally responsible livestock production systems. This proactive approach will not only benefit the environment but will also help to build trust among consumers and other stakeholders who are increasingly demanding sustainable and ethically produced food.

<sup>26</sup> [https://webgate.ec.europa.eu/life/publicWebsite/index.cfm?fuseaction=search.dspPage&n\\_proj\\_id=5355](https://webgate.ec.europa.eu/life/publicWebsite/index.cfm?fuseaction=search.dspPage&n_proj_id=5355)



## What is the opinion of the organisation on the opportunity offered by the OP?

*"The opportunity to access funding under an Operational Programme can catalyse the adoption of sustainable methods, strengthen the cooperative's network, and contribute to the long-term viability of the livestock sector while addressing climate change and societal demands for more responsible farming practices..."*





## Building new feedlots and implementing digital systems to improve animal health and efficiency



### Type of intervention

Investments in assets, innovative research, and methods, focusing on biosecurity, animal health, and welfare.



### Purpose of the actions under this type of intervention

- ▶ to contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as to promote sustainable energy;
- ▶ to foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency;
- ▶ to enhance market orientation and increase farm competitiveness both in the short and long-term, including greater focus on research, technology and digitalisation.



### Outcome of the actions under this type of intervention

**To improve the response to societal demand for a more sustainable agricultural and food sector, including high-quality, safe and nutritious food produced in a sustainable way, to reduce food waste, as well as to improve animal welfare and to combat antimicrobial resistance (AMR).**



### Overview of the action

This action involves supporting farmers to invest in new feedlots and digital systems aimed at preventing the risk of emergence of infectious diseases and reduce the risks related to the use of antimicrobials, notably the development of AMR, which is mainly oriented to the ovine and bovine sectors.



**Country:** Spain  
**Sector:** Pig meat, sheep meat, goat meat and milk, and bovine meat  
**Cooperative members:** 500 – 1000  
**Annual marketed production (value):** > EUR 5 Million and < EUR 50 Million  
**Number of permanent employees:** > 10 and < 50 employees



### How did the organisation start its activities?

The cooperative was set up in 1981 when a group of producers came together to jointly access the markets and to increase their livestock productivity. In 1990, after an increase in the number of members in the group of producers, the legal status changed to cooperative. The cooperative has developed partnerships with research centres, universities, and private companies to conduct research on innovation and sustainable practices in herd and pasture management, continuing its commitment to supporting extensive livestock farming, with the belief that mixed livestock farms, with a combination of extensive livestock, are more sustainable and contribute to greater environmental and social sustainability.



### What are the main activities performed by the organisation?

The cooperative operates mainly in the pig meat sector, as well as the lamb, goat and beef sectors. It is fully vertically integrated along the supply chain from the purchase of animal feed to storage, processing and commercialisation of products.

The cooperative performs numerous trade activities, including the provision of market information, defining marketing strategies, planning quantity and quality, processing, labelling and promotion, distribution, transportation and contracts negotiation. These activities allow the members to operate according to the latest regulations and market demands. In addition to these trade related activities, the cooperative provides services to members, the most important of these being the provision of animal feed. Others include training and technical assistance for certification, veterinary services, and financial aid to pay membership fees and insurance provision.



### What actions could benefit from the availability of an Operational Programme?

The cooperative would like to offer members support to invest in new feedlots and digital systems in order to:

- ▶ Reduce the use of antibiotics and increase biosecurity. The extensive sector can be more vulnerable to disease outbreaks than intensive production because there is a lack of research on health issues and alternative treatments. To address this, the cooperative invests in new feedlots to create greater distance between the animals.
- ▶ Mitigate the effects of AMR, as well as to align with new market and legislative requirements. New feedlots would allow more space for each animal, which would reduce the risk of disease spread and the need to use antibiotics.
- ▶ Increase herd management efficiency and farm profitability.

Among the other activities carried out by the cooperative, it is worth mentioning participation in an animal welfare certification scheme as a means to communicate the higher quality of their production along the supply chain. This activity is described in this Handbook under the fiche '[Implementing a product quality standard certification](#)'.



### What are the expected outcomes of the actions?

The action contributes to:

- ▶ **the improvement of animal welfare:** increasing animal health and reducing the risk of AMR would positively contribute to improving animal welfare;
- ▶ **the improvement of product quality;**
- ▶ **competitiveness:** the competitiveness of the cooperative is strengthened through the adoption of practices oriented to the needs of the market



### What is the opinion of the organisation on the opportunity offered by the OP?

*"...The implementation of the Operational Programme in the extensive livestock farming sector is crucial for the survival and well-being of the producers... there is an urgent need for interventions in extensive farming that support investments"*



## Obtaining animal welfare certification



### Type of intervention

Investments in assets, innovative research, and methods, focusing on biosecurity, animal health, and welfare.<sup>27</sup>



### Purpose of the actions under this type of intervention

- ▶ to contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as to promote sustainable energy;
- ▶ to foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency;
- ▶ to enhance market orientation and increase farm competitiveness both in the short and long-term, including greater focus on research, technology and digitalisation.



### Outcome of the actions under this type of intervention

**To improve the response to societal demands on food and health, including high-quality, safe and nutritious food produced in a sustainable way, to reduce food waste, as well as to improve animal welfare and to combat AMR.**



### Overview of the action

This PO wants to continue to implement an animal welfare quality certification system. Certification allows the PO to improve its environmental sustainability, improve the quality of the production, guarantee better conditions for the animals, and to meet consumer demand in terms of quality and sustainability of production.

<sup>27</sup> Type of intervention 1(a(vi)) - Reg. (EU) 2021/2115 - art. 47



<b>Country:</b>	Portugal
<b>Sector:</b>	Beef and veal
<b>Cooperative members:</b>	100 – 500
<b>Annual marketed production (value):</b>	> EUR 5 Million and < EUR 50 Million
<b>Number of permanent employees:</b>	< 10 employees





### How did the organisation start its activities?

The history of the PO began with the formation of a producer group in 1994 with the goal of commercialising Protected Designation of Origin (PDO) meat.<sup>28</sup> Initially, the commercialisation was carried out through the producer group for a limited number of clients. In 2002, the producer group faced financial challenges, primarily due to difficulties in marketing large carcasses. As a strategic move, the producer group partnered with two other cooperatives to reduce costs, optimise operations and increase vertical integration, and received recognition as a PO in 2012. Since then, the PO has been active in the marketing of livestock for meat production.



### What are the main activities performed by the organisation?

The main business of the PO is the commercialisation of PDO meat from animals slaughtered between 10 and 15 months, or from animals over two years of age. If a producer cannot sell the animals as veal, those animals are moved at weaning for finishing on another farm. The finishing farm, besides serving as a fattening centre, also provides information on how to meet the PDO quality requirements.

In addition to commercialisation of the meat products, the PO provides:

- ▶ **Technical and administrative services** to its members: these include the testing of feed efficiency and genetic improvement in the herd, the optimisation of feeding techniques, as well as the adoption of appropriate manure and slurry storage methods to reduce greenhouse gas emissions.
- ▶ **Cooperation with other stakeholders:** the PO manages the relationship with a slaughterhouse that acts as a subsidiary slaughtering, processing and packaging centre for the PO production.
- ▶ **Marketing of products:** the PO is responsible for marketing members' products that are targeted mostly to large distributors and restaurants. Moreover, the PO owns a shop where it sells a selection of members' products directly to customers.



### What actions could benefit from the availability of an Operational Programme?

The PO aims at implementing the **Welfare™** animal welfare certification. This involves the direct observation of animals to assess their status, and the measurement of parameters on the conditions in which they are kept. To implement the certification, the PO needs to implement necessary changes and improvements to comply with the certification standards. These may include investments in infrastructure, equipment, or technology that enhance animal welfare on farms and in all facilities associated with the PO, and to promote continuous improvement of good animal welfare practices and sustainability.

Finally, this PO wants to provide its members with adequate technical and farm management assistance, further described in the fiche '**Training and coaching in the areas of animal nutrition, reproduction, genetic improvement, pasture and forage production and certifications**' presented in this Handbook.



### What are the expected outcomes of the actions?

The certification would positively influence how the PO conveys the quality of its products to consumers. This not only builds trust and credibility but also helps differentiate its offerings in the market, resulting in increased consumer confidence and potentially leading to higher demand for their products.

Moreover, the certification would increase:

- ▶ **competitiveness and market orientation:** improving animal welfare contributes to strengthen PO competitiveness and allows the adjustment of production to consumer demand for higher welfare meat;
- ▶ **product quality:** having a monitoring system in place during the production phase allows the PO to better manage the quality of its production;
- ▶ **environmental sustainability:** the improved monitoring system allows the PO to act quickly in case of diseases, reducing the use of treatments and chemical substances that can be harmful if introduced in the environment without adequate procedures.

<sup>28</sup> [https://agriculture.ec.europa.eu/farming/geographical-indications-and-quality-schemes/geographical-indications-and-quality-schemes-explained\\_en](https://agriculture.ec.europa.eu/farming/geographical-indications-and-quality-schemes/geographical-indications-and-quality-schemes-explained_en)



### What is the opinion of the organisation on the opportunity offered by the OP?

*"...The Operational Programme resources can help the PO members to improve their practices, obtain animal welfare certification, and ultimately enhance their market position ..."*





Action  
fiche

08

## Increasing renewable energy mix and reducing carbon-intensive energy use



### Type of intervention

Investments in assets, research, and innovative methods for enhancing energy savings, efficiency, and renewable energy use.



### Purpose of the actions under this type of intervention

- ▶ increasing energy efficiency and deploying cost-effective renewable energy solutions can help to reduce energy costs for the cooperative members, making energy more affordable;
- ▶ reducing dependence on imported fossil fuels, lowering the overall carbon footprint, and increasing energy security;
- ▶ reducing greenhouse gas emissions, which contribute to climate change.



### Outcome of the actions under this type of intervention

**Promoting energy efficiency and advancing renewable energy technologies.**



### Overview of the action

The cooperative aims at adopting sustainable practices by implementing flat pre-drying in fields to reduce energy consumption and investing in custom-made equipment with biomass injectors to increase renewable energy use in the drying process.



<b>Country:</b>	France
<b>Sector:</b>	Protein Crops
<b>Cooperative members:</b>	100 – 500
<b>Annual marketed production (value):</b>	> EUR 5 Million and < EUR 50 Million
<b>Number of permanent employees:</b>	< 10 employees



### How did the organisation start its activities?

The cooperative was founded to address post-WWII demand in the context of labour-intensive cultivation. Producers were brought together to develop drying units to simplify alfalfa harvesting and to preserve nutritional value. Following a merger with another cooperative in the same sector, the combined cooperative expanded its operations and diversified its offerings. This allowed them to leverage their collective expertise and resources to innovate further in alfalfa processing and develop more sustainable practices. By working together, the cooperative has been able to adapt to changing market demands, increase efficiency and continue to provide high-quality products to its customers.



### What are the main activities performed by the organisation?

The cooperative operates more than 25 multi-purpose dehydration plants for processing protein crops and other products. This vertical integration of the supply chain helps to consolidating resources, and enables its members to:

- ▶ take advantage of economies of scale, resulting in reduced overhead costs and more efficient utilisation of industrial equipment;
- ▶ foster innovation and sharing of best practices among the members, further enhancing the overall efficiency of the supply chain.

Moreover, the cooperative fosters a more environmentally responsible approach to agriculture through various strategies and initiatives, including:

- ▶ encouraging members to adopt environmentally friendly methods such as crop rotation, conservation tillage, organic farming, and integrated pest management that can help preserve soil health, reduce chemical use and protect biodiversity;
- ▶ offering workshops, seminars and training programmes to members can help them stay up-to-date with the latest sustainable practices and technologies and enable them to implement these practices on their farms.



### What actions could benefit from the availability of an Operational Programme?

While dehydration remains its core business, the supply chain is exploring new alfalfa valorisation methods for animal feed and production. In particular, the cooperative would:

- ▶ implement flat pre-drying in the field, to achieve a reduction in energy used for drying forage crops;
- ▶ invest in innovation and custom-made equipment for industrial lines with biomass injectors to increasing the share of renewable energy in the drying process;
- ▶ invest in a modern photovoltaic system.

These strategies demonstrate the cooperative's commitment to adopting more sustainable practices throughout the alfalfa supply chain, focusing on energy efficiency and the use of renewable resources.



### What are the expected outcomes of the actions?

Improving industrial processes, implementing flat pre-drying in the field, and using custom-made biomass injectors will:

- ▶ enhance industrial processes and utilise renewable energy sources that can lead to an even greater reduction in carbon footprint;
- ▶ increase energy efficiency by optimising drying processes and using more efficient equipment, meaning that the cooperative can expect to see higher energy efficiency across its operations;
- ▶ provide significant savings in energy costs for the PO and its members;
- ▶ open up opportunities in niche markets that prioritise environmentally responsible products and practices.



### What is the opinion of the organisation on the opportunity offered by the OP?

*"The Operational Programme is an opportunity to provide secure funding for technical assistance, and resources to facilitate the adoption of innovative technologies, sustainable practices, and the transition to a low-carbon, optimised energy system, improving the overall competitiveness in the market"*





Action  
fiche

09

## Developing a centralised biogas/waste disposal centre



### Type of intervention

Investments in assets and innovative methods for emission and waste reduction, by-product utilisation, and waste management.



### Purpose of the actions under this type of intervention

- ▶ reducing greenhouse gas emissions and promoting resource efficiency;
- ▶ fostering sustainable agriculture and food systems;
- ▶ reducing energy and waste disposal costs.



### Outcome of the actions under this type of intervention

**To improve the competitiveness, resource efficiency and profitability of member farms while enhancing the environmental sustainability of the dairy sector.**



### Overview of the action

The PO would like to improve its waste management practices by investing in the development of a centralised biogas/waste disposal centre. This would provide a source of low-cost renewable energy and would allow each of their members to reduce their carbon footprint.



**Country:** Italy  
**Sector:** Dairy  
**PO members:** 10 – 50  
**Annual marketed production (value):** < EUR 5 Million  
**Number of permanent employees:** < 10 employees



### How did the organisation start its activities?

The PO was established in 2016 by a group of cattle farmers producing raw milk. The farmers faced several challenges due to their remote location and small to medium average farm size, including logistics, collection, and storage costs, as well as limited bargaining power when dealing with their customers. The PO was created as a way of improving the income of its members through a more organised and structured marketing of their product. The value of milk produced by its members was enhanced by coordinating collection, storage, sale and marketing. Membership is open to all active dairy producers from surrounding areas who wish to market their product via the PO. Members continue to be mostly small and medium-sized, producing under 500 kg of milk per day. The PO is not vertically integrated with further stages of the supply chain, and so no processors are involved.



### What are the main activities performed by the organisation?

As a core business, the PO collects raw milk from its members and sells it to milk processors in the area; the PO also purchases farming inputs on behalf of member farms. Additionally, the PO created and manages a quality scheme which certifies that milk and milk products made with raw milk from the region according to specific quality standards.

The main activities performed by the PO are:

- ▶ **Milk collection and marketing:** the PO collects milk from its members and markets and sells it to various dairy processors, allowing its members to negotiate higher milk prices with downstream actors in the value chain.
- ▶ **Quality control:** the PO ensures that their products meet the required quality standards based on the quality scheme by conducting regular tests and inspections.
- ▶ **Member education and training:** the PO provides training and education to its members on topics such as animal health, milk quality and best farming practices.
- ▶ **Infrastructure development:** the PO invests in infrastructure such as milk processing plants, cold storage facilities and transportation to improve efficiency and reduce costs.
- ▶ **Advocacy and lobbying:** the PO advocates for policies that benefit their members and the dairy industry as a whole. They also lobby for fair prices and regulations that protect small farmers.



### What actions could benefit from the availability of an Operational Programme?

The PO would like to use OP funding to support its members by implementing the following actions:

- ▶ investing in a centralised biogas/waste disposal centre for better waste management;
- ▶ consulting experts to provide guidance on best practices, technological innovations, and efficient waste-to-energy conversion methods;
- ▶ facilitating connections with other organisations, stakeholders, and industry partners that have experience in biogas production, waste management, or similar projects; promoting knowledge exchange, collaboration, and shared learning.



### What are the expected outcomes of the actions?

The expected outcomes of investments in a centralised biogas/waste disposal centre include:

- ▶ Enhancing the **competitiveness** and **profitability** of members through lower operating costs and increasing the long-term sustainability of their activities from an economic and environmental perspective;
- ▶ Improving **climate change mitigation and adaptation** by developing more sustainable production methods to reduce greenhouse gas emissions in the dairy sector;
- ▶ Responding to societal needs by **improving the sustainability** of the dairy sector, particularly around concerns related to methane emissions.



### What is the opinion of the organisation on the opportunity offered by the OP?

*“... Investments through an Operational Programme would lead to an improvement in the quality of the products and an improvement in the positioning of the members on the market. An Operational Programme would increase the visibility and attractiveness of the PO”*





Action  
fiche

10

## Contracting with specialised waste management companies



### Type of intervention

Investments in assets and innovative methods for emission and waste reduction, by-product utilisation and waste management.



### Purpose of the actions under this type of intervention

- ▶ reducing greenhouse gas emissions and promoting resource efficiency
- ▶ fostering sustainable agriculture and food systems
- ▶ reducing energy and waste disposal costs



### Outcome of the actions under this type of intervention

**To improve the competitiveness, resource efficiency and profitability of member farms while enhancing the environmental sustainability of the dairy sector.**



### Overview of the action

The cooperative would like to organise and coordinate cooperation with waste management companies for the collection of sorted waste for recycling from its members, thus reducing the administrative burden on individual farmers. Additionally, the cooperative is also interested in investing in equipment required for organic certification and investing in actions to improve milk quality.



**Country:** Latvia  
**Sector:** Dairy  
**Cooperative members:** 500 – 1000  
**Annual marketed production (value):** > EUR 5 Million and < EUR 50 Million  
**Number of permanent employees:** > 10 and < 50 employees



### How did the organisation start its activities?

The cooperative started its operation at the end of 2018 by bringing together several milk producer cooperatives. It was established with the aim of promoting and developing cooperation among milk producing cooperatives to improve both the economic efficiency of the cooperatives and their members, and to ensure fair purchasing prices for the farms involved.

The members of these cooperatives are mainly small and medium-sized family farms. The services provided by the cooperative are especially important for these farms because neither the farms themselves, nor their first-tier cooperatives mainly operating locally, are able to provide a sufficient volume of raw milk to have a significant impact on the market.



### What are the main activities performed by the organisation?

The cooperative's primary focus is the coordination of its members' milk production, which is subsequently sold to milk processors in the surrounding area. The cooperative also procures farming inputs for its member farms.

The cooperative's main activities consist of the following:

- ▶ **Sales and marketing:** The marketing activity of the cooperative is a vital part of its business model. The cooperative acts as an intermediary between the farmers and the dairy processors in the region. The cooperative not only markets the milk but also negotiates higher prices for its members by leveraging their combined bargaining power. By working together, the members are able to achieve a better price for their milk than they would be able to individually.
- ▶ **Ensuring quality:** the cooperative also ensures that the milk is of high quality before it is sold. The cooperative has established quality standards that its members must adhere to, and regular inspections and tests are carried out to ensure that these standards are met. This ensures that the milk is safe and meets the requirements of the dairy processors.
- ▶ **Promoting cooperation and development of the industry:** the cooperative strengthens the local dairy industry by providing a reliable supply of high-quality milk to the processors. This creates a stable market for the processors and producers and promotes the growth and development of the local dairy industry.



### What actions could benefit from the availability of an Operational Programme?

The cooperative would like to use OP funding to support its members in adopting more sustainable and economically sound practices by implementing the following measures:

- ▶ organising cooperation with waste management companies for the collection of sorted waste for recycling (e.g., used films, agriculture packaging, etc.) and organising the placement of sorted waste containers on the land of members for their collective use;
- ▶ concluding contracts with specialised waste management companies for the collection of waste from members and member farms and organising routes for their collection so that each individual farm is not required to contract with a waste manager;
- ▶ investing in equipment that ensures members meet the standards required for organic certification, which can help to increase the value and marketability of their products, since these products are in high demand and consumers are willing to pay a premium for them;
- ▶ investing in actions to improve the milk quality, as described in the fiche '[Investment in dairy machines and tanks to develop certified organic production](#)' presented in this Handbook.



### What are the expected outcomes of the actions?

The expected outcomes of contracting with specialised waste management companies include:

- ▶ **Supporting climate change mitigation and adaptation** by utilising more sustainable production methods that would help reduce greenhouse gas emissions stemming from waste in the dairy sector. This could in turn contribute to the long-term sustainability and success of the sector in the face of growing environmental challenges.
- ▶ **Improving the competitiveness of members** by reducing their administrative burden associated with organising and implementing waste management solutions.
- ▶ The cooperative and its members would **be responding to societal needs** by actively engaging with and responding to the current debate around the sustainability of the dairy sector and related waste production.



### What is the opinion of the organisation on the opportunity offered by the OP?

*"... The cooperative could benefit from an Operational Programme by increasing the economic and social sustainability of dairy farmers, and by introducing methods of production for reducing the environmental impacts of the production"*

## 5.3 Types of interventions that aim at improving product quality and traceability

The aim of this type of intervention is to:

- ▶ increase the commercial value of products by improving their quality;
- ▶ promote products with Geographical Indications such as Protected Designations of Origin and Protected Geographical Indication;
- ▶ support the adoption of EU or national quality schemes that allow for greater traceability;
- ▶ foster market orientation and increase farm competitiveness.

These objectives can be achieved by implementing rigorous quality control and assurance systems, ensuring that products meet the highest quality standards. This can involve setting up dedicated quality control teams, conducting regular inspections and audits, and establishing clear guidelines for PO members to follow. Moreover, POs can collectively apply for and manage quality certifications, such as Geographical Indications, or other recognised quality schemes. This can help raise the profile of their products, increase their market value, and boost consumer trust.

Examples of specific actions that fall within this intervention type include:

- ▶ implementing regular product testing and quality checks to ensure adherence to standards;
- ▶ organising joint purchasing of high-quality inputs or machinery to secure better prices;
- ▶ pursuing collective certification for organic farming or fair-trade practices.

Real examples of actions that would fall under these types of interventions are listed in the table below and described in the dedicated fiches.

Type of intervention	Examples of actions
Investments in assets and innovative methods for implementing EU and national quality schemes <sup>29</sup>	Implementing a product quality standard certification to improve market orientation
Investments in assets and innovative methods for organic and integrated production <sup>30</sup>	Investment in dairy machines and tanks to develop certified organic production

<sup>29</sup> Type of intervention 1(g) - Reg. (EU) 2021/2115 - art. 47

<sup>30</sup> Type of intervention 1(d) - Reg. (EU) 2021/2115 - art. 47





## Implementing a product quality standard certification to improve market orientation



### Type of intervention

Investments in assets and innovative methods for implementing EU and national quality schemes.<sup>31</sup>



### Purpose of the actions under this type of intervention

This type of intervention supports:

- ▶ the implementation of quality certifications that allow greater traceability, thus enhancing product quality and value;
- ▶ the promotion of Geographical Indication products and other quality schemes;
- ▶ the fostering of market orientation;
- ▶ the increase in farm competitiveness.



### Outcome of the actions under this type of intervention

**Members are guided in the implementation of activities necessary to comply with quality schemes requirements.**



### Overview of the action

The action involves supporting farmers in respecting the standards of a quality certification scheme through direct assistance provided by the cooperative. The aim is to improve the quality of products to meet market demand and to meet the cooperative's ambitions to produce high quality products, ensuring good animal welfare conditions.

<sup>31</sup> Type of intervention 1(g) - Reg. (EU) 2021/2115 - art. 47



**Country:** Spain  
**Sector:** Pig meat, sheep meat, goat meat and milk, and bovine meat  
**Cooperative members:** 500 – 1000  
**Annual marketed production (value):** > EUR 5 Million and < EUR 50 Million  
**Number of permanent employees:** > 10 and < 50 employees



### How did the organisation start its activities?

The cooperative was set up in 1981 when a group of producers came together to jointly access the markets and to increase their livestock productivity. In 1990, after an increase in the number of members in the group of producers, the legal status changed to cooperative. The cooperative has developed partnerships with research centres, universities and private companies to conduct research on innovation and sustainable practices in herd and pasture management, continuing its commitment to supporting extensive livestock farming with the belief that mixed livestock farms, with a combination of extensive livestock, are more sustainable and contribute to greater environmental and social sustainability.



### What are the main activities performed by the organisation?

The cooperative operates mainly in the pig meat sector, as well as the lamb, goat and beef sectors. It is fully vertically integrated along the supply chain from the purchase of animal feed to storage, processing and commercialisation of products. The cooperative is integrated with other cooperatives with the aim to support commercialisation of the production process and better match supply to demand by retaining animals in feedlots. This integration allows the cooperative to reinforce its own market position and that of its members, and to increase its bargaining power in the negotiation of prices.

The cooperative performs numerous activities, including:

- ▶ provision of market information,
- ▶ definition of marketing strategies,
- ▶ planning of quantity and quality of products,
- ▶ processing,
- ▶ labelling and promotion,
- ▶ distribution,
- ▶ contracts negotiation.

These activities allow the partners to operate according to the latest regulations and market demands. In addition to these trade related activities, the cooperative provides services to members, with the most important of these being the provision of animal feed. Other services include training, technical assistance for certification, veterinary services, financial aid to pay membership fees and insurance provision.



### What actions could benefit from the availability of an Operational Programme?

The cooperative aims at implementing a quality certification scheme. In order to do this, the cooperative would undertake the following actions:

- ▶ Ensure that all members follow the certification guidelines and maintain proper documentation to demonstrate compliance. This may require the establishment of an internal monitoring system to verify adherence to the standards.
- ▶ Submit the application for certification and undergo the necessary evaluations and inspections.
- ▶ Regularly monitor and evaluate the cooperative's performance against the certification standards.
- ▶ Stay updated with any changes to the certification requirements and maintain open communication with the certifying body.

In order to implement the certification, the cooperative is willing to continue providing its members with the necessary support both on technical and financial aspects (in particular for new members).

The low profitability associated with extensive farming does not always allow farmers to afford investments. The cooperative is efficient in concentrating supply and thereby improving members' bargaining power in the value chain; however, it cannot support the investments needed at farm level to meet higher quality standards without additional financial support.

Among the other actions that the cooperative would like to implement through an OP is the building of new feedlots to improve biosecurity and therefore reduce the occurrence of diseases. This activity is further described under the fiche 'Building of new feedlots' presented in the Handbook.



### What are the expected outcomes of the actions?

This intervention would contribute to the following objectives:

- ▶ **competitiveness:** certified production may lead to better marketing performance, given consumer demand for production systems with higher animal welfare;
- ▶ **market management:** certification is seen by the cooperative as the best way to meet market demand and obtain the best prices;
- ▶ **product quality:** boosting products' commercial value and quality;
- ▶ **animal welfare:** the certification aims at providing good feeding, good housing, good health, and appropriate living and slaughtering conditions for the animals.



### What is the opinion of the organisation on the opportunity offered by the OP?

*"...The implementation of the Operational Programme in the extensive livestock farming sector is crucial for the survival and well-being of the producers... there is an urgent need for interventions in extensive farming that support investments"*





## Investments in dairy machines and tanks to develop certified organic production



### Type of intervention

Investments in assets and innovative methods for organic and integrated production.<sup>32</sup>



### Purpose of the actions under this type of intervention

This type of intervention supports:

- ▶ the implementation of quality certifications that allow greater traceability, enhancing product quality and value;
- ▶ the promotion of Geographical Indication products and other quality schemes;
- ▶ the fostering of market orientation;
- ▶ the increase in farm competitiveness.



### Outcome of the actions under this type of intervention

**Investments are in place that will allow compliance with organic or integrated production scheme requirements.**



### Overview of the action

The action consists of investments in dairy machinery and tanks necessary to separate organic milk from conventional milk. The aim is to access the organic market and thus diversify the production base.

<sup>32</sup> Type of intervention 1(d) - Reg. (EU) 2021/2115 - art. 47



<b>Country:</b>	Latvia
<b>Sector:</b>	Dairy
<b>Current members:</b>	500 – 1000
<b>Annual marketed production (value):</b>	> EUR 5 Million and < EUR 50 Million
<b>Number of permanent employees:</b>	> 10 and < 50 employees





### How did the organisation start its activities?

The association of cooperatives started its operation at the end of 2018 by bringing together several milk producers' cooperatives. The association was established to promote cooperation among milk producing cooperatives, and to promote both the efficiency of the economic activities of its members (the milk producers' cooperatives) and to ensure a fair purchase price for the farms involved.

The members of the cooperatives are mainly small and medium-sized family farms. The services provided by the association are especially important for these farms because the single cooperatives that are part of the organisation operate locally and are not able to provide a sufficient volume of raw milk to access other markets on their own.



### What are the main activities performed by the organisation?

The main activity of the association is the purchase of raw milk from members and its sale to dairy processing companies. This ensures a higher purchase price of raw milk by concentrating the volume. Overall, the organisation aims to promote the wellbeing of family farms and to maintain their viability which also maintains the viability and conservation of rural areas.



### What actions could benefit from the availability of an Operational Programme?

The association of cooperatives aims at organising the production of certified organic milk. The following actions are envisaged:

- ▶ invest in milking machines specifically designated for organic milk production;
- ▶ purchase separate milk storage tanks for organic milk to prevent any mixing of organic and conventional milk, ensuring that the organic milk remains free from contaminants;
- ▶ hiring a consultant who specialises in organic certification to help navigate the certification process and ensure accurate and complete documentation.

The organisation also wishes to improve product quality. It is planned to hire a quality specialist to perform raw milk quality control, deal with milk quality issues, cooperate with independent laboratories, etc. as well as develop milk differentiation according to quality indicators. Moreover, through the implementation of an OP, this organisation would invest in contracting with specialised waste management companies to improve the overall sustainability of their members, as described under the fiche '[Contracting with specialised waste management companies](#)'.



### What are the expected outcomes of the actions?

- ▶ **Market orientation.** The production of organic products helps the organisation to access new markets and respond to consumer needs.
- ▶ **Product quality.** To improve quality control within the organisation and develop organic products.
- ▶ **Environmental sustainability.** The adoption of practices reducing the use of harmful substances will have a beneficial effect on the environment.



### What is the opinion of the organisation on the opportunity offered by the OP?

*"The cooperative could benefit from an Operation Programme by increasing the economic and social sustainability of dairy farmers, and by introducing methods of production for reducing the environmental impacts of the production."*

## 5.4 Types of interventions that aim at providing advisory services, technical assistance and coaching

The aim of this type of intervention is to:

- ▶ improve the knowledge and skills of producers in areas such as sustainable farming practices, innovative technologies, market trends, and business management;
- ▶ encourage the adoption of innovative practices, technologies, and processes that can increase productivity, reduce costs, enhance product quality, and promote environmental sustainability;
- ▶ support farmers and agri-businesses in making informed decisions regarding their operations, investments, and market strategies by providing expert advice and guidance;
- ▶ encourage the adoption of environmentally sustainable practices that preserve natural resources, protect biodiversity, and reduce the negative impacts of agricultural activities on the environment;
- ▶ provide tailored advisory services, technical assistance, and coaching to disadvantaged groups, such as small-scale farmers, women, and youth, to help them overcome challenges and access opportunities in the agricultural sector.

Examples of specific actions that fall within these intervention types include:

- ▶ offering individualised advice and guidance to producers on topics such as crop management, pest control, or financial planning;
- ▶ conducting on-farm demonstrations of new technologies, practices, or equipment to showcase their benefits and encourage adoption;
- ▶ organising workshops and training sessions on topics such as sustainable farming practices, innovative technologies, or marketing strategies for groups of producers;
- ▶ assisting producers in securing financing for investments in new technologies, infrastructure, or product development by providing guidance on financial planning, grant applications, or loan negotiations.

Real examples of actions that would fall under these types of interventions are listed in the table below and described in the dedicated fiches.

Type of intervention	Examples of actions
Investments in assets and innovative methods for advisory services and technical assistance concerning sustainable production methods <sup>33</sup>	Technical and farm management assistance for new farmers
Investments in assets and innovative methods for training and coaching on sustainable production methods <sup>34</sup>	Training and coaching in the areas of animal nutrition, reproduction, genetic improvement, pasture and forage production and certifications

<sup>33</sup> Type of intervention 1(b) - Reg. (EU) 2021/2115 - art. 47

<sup>34</sup> Type of intervention 1(c) - Reg. (EU) 2021/2115 - art. 47



## Technical and farm management assistance for new farmers



### Type of intervention

Investments in assets and innovative methods for advisory services and technical assistance concerning sustainable production methods.



### Purpose of the actions under this type of intervention

- ▶ to improve the knowledge and skills of farmers in areas such as innovative technologies, sustainable farming practices, market trends, and business management;
- ▶ to encourage the adoption of innovative methods, including practices, technologies, and processes, that can increase productivity, reduce costs and enhance product quality;
- ▶ to support farmers in making informed decisions regarding their operations, investments, and market strategies by providing expert advice and guidance;
- ▶ to encourage the adoption of environmentally sustainable practices that preserve natural resources, protect biodiversity, and reduce the negative impacts of agricultural activities on the environment.



### Outcome of the actions under this type of intervention

**Improvement in the competitiveness, sustainability and animal health and welfare practices of member farms, particularly for new and young farmers.**



### Overview of the action

The PO would like to provide technical and financial support to its members, especially young and new farmers, to prevent the reduction of production and to ensure modernisation that is in line with important issues for the industry, such as environmental sustainability and animal welfare. This includes support for implementing certification schemes, investments in buildings, alternative heating methods and digital tools for farm management.



<b>Country:</b>	France
<b>Sector:</b>	Pig meat
<b>Current members:</b>	> 5000
<b>Annual marketed production (value):</b>	> EUR 100 Million and < EUR 500 Million
<b>Number of permanent employees:</b>	> 100 employees





### How did the organisation start its activities?

The history of the PO starts with the creation of a cooperative at the end of the 19th century when a group of farmers came together to form a union to support and empower their collective efforts in agriculture. As time passed, cooperatives across various sectors emerged and joined forces bringing together farmers from diverse sectors such as vegetables, poultry, dairy, sheep, goats, beef, and pork under a unique multi-specialised cooperative. The PO, recognised in 2018, was created to support the work of members specialised in pig meat production.



### What are the main activities performed by the organisation?

The main activities performed by the PO are:

- ▶ **Sourcing, selling and marketing:** The PO markets over 800 000 pigs per year by negotiating with slaughterhouses, processors, and distributors, on behalf of its members, maximising their bargaining power with downstream actors in the value chain. Moreover, it also manages feed and material supply for its members. As a multi-speciality PO, it is able to provide high-quality, low-cost feed from other members to pig farmers.
- ▶ **Meat processing:** the PO's slaughterhouse processes over 25 % of members' pigs, including certified organic pigs, while its two processing plants processes 90 % of members' culled sows.
- ▶ **Technical and economic advice to members:** the PO provides training and education to their members on topics such as animal health and farming best practices. It also actively searches for new market opportunities for its members.
- ▶ **Quality control:** the PO ensures that its products meet the required quality standards, including organic certification, by conducting regular tests and inspections.



### What actions could benefit from the availability of an Operational Programme?

The PO recognises the difficulties related to the low generational renewal in farming. Therefore, it would like to utilise OP funding to assist its members by providing the following technical and farm management tools and support:

- ▶ The development of a digital tool to support farmers in the management of their production activities. This would help members to better plan their production around demand and to implement best practices, including those related to sustainability and animal health and welfare (*see fiche 'Creation of a digital tool for farm management'*).
- ▶ Providing in-person support and advice to new and young farmers through frequent visits, discussions and on-farm demonstrations of new technologies. To best support these new farmers, an estimated 15 days of advice would be required per farm.
- ▶ Providing financial and administrative assistance to new and young farmers during the start-up phase, such as by getting support from regional authorities, guaranteeing funds or loans and assisting producers in securing financing.
- ▶ Assistance in building investment decisions by new and young farmers. The PO could provide recommendations to its members, such as the best use of light, methods of heating, buildings that can hold animals as 'free range', animal density and ammonia mitigation.



### What are the expected outcomes of the actions?

The expected outcomes of investments in technical and farm management assistance for new farmers include:

- ▶ ensuring the **viability and competitiveness** of members through the implementation of best practices with respect to both the management of farm production activities as well as animal health and welfare;
- ▶ increasing **social sustainability**, since these actions help to retain and encourage young producers which helps to keep pig production stable and rural areas vibrant;
- ▶ improving **product quality** by ensuring the modernisation of buildings in line with current social and environmental issues, such as energy use, manure and waste production, animal welfare and animal health, and in line with certification quality standards.



### What is the opinion of the organisation on the opportunity offered by the OP?

*"... The Operational Programme may support investments regarding animal welfare, environment, animal health (reduction of antibiotics), and biosecurity (including repopulation), but also address the issue of labour-intensive work conditions by offering support for technology that minimise physical strain on workers."*



## Training and coaching in the areas of animal nutrition, reproduction, genetic improvement, pasture and forage production and certifications



### Type of intervention

Investments in assets and innovative methods for training and coaching on sustainable production methods.



### Purpose of the actions under this type of intervention

- ▶ improve the knowledge and skills of farmers in areas such as innovative technologies and sustainable farming practices;
- ▶ encourage the adoption of innovative practices, technologies, and processes that can increase productivity, reduce costs, enhance product quality and promote environmental sustainability;
- ▶ support farmers in making informed decisions regarding their operations by providing coaching, expert advice and guidance;
- ▶ encourage the adoption of environmentally sustainable practices that preserve natural resources, protect biodiversity, and reduce the negative impacts of agricultural activities on the environment.



### Outcome of the actions under this type of intervention

**Improvement in the technical knowledge of member farms and in the competitiveness, sustainability and animal health and welfare practices of their farming operations.**



### Overview of the action

The cooperative would like to provide technical support to its members through training and coaching in the areas of nutrition, reproduction, genetic improvement, pasture and forage production and certifications.



<b>Country:</b>	Portugal
<b>Sector:</b>	Beef and veal
<b>Current members:</b>	100 – 500
<b>Annual marketed production (value):</b>	> EUR 5 Million and < EUR 50 Million
<b>Number of permanent employees:</b>	< 10 employees



### How did the organisation start its activities?

The history of the PO began with the formation of a producer group in 1994 with the goal of commercialising Protected Designation of Origin (PDO) meat.<sup>35</sup> Initially, the commercialisation was carried out through the producer group for a limited number of clients. In 2002, the producer group faced financial challenges, primarily due to difficulties in marketing large carcasses. As a strategic move, the producer group partnered with two other cooperatives to reduce costs, optimise operations and increase vertical integration, and received recognition as a PO in 2012. Since then, the PO has been active in the marketing of livestock for meat production.



### What are the main activities performed by the organisation?

The main activities performed by the PO are:

- ▶ **Processing, marketing and distribution:** the PO commercialises meat from animals slaughtered between 10 and 15 months, or from animals over two years of age. If a member cannot sell the animals as veal, those animals are moved at weaning for finishing on another farm. The PO has a partnership with a slaughterhouse that slaughters all PO production and is responsible for the packaging of meat products.
- ▶ **Technical and economic advice to members:** the PO provides technical and administrative services to its members, particularly around the testing of feed efficiency and genetic improvements. This is particularly important since lower feed requirements for the same level of output reduces production costs, manure and slurry, as well as greenhouse gas emissions, particularly methane.
- ▶ **Quality standards:** the PO ensures that their products meet the required quality standards, including organic certification, by conducting regular tests and inspections.



### What actions could benefit from the availability of an Operational Programme?

The PO would like to utilise OP funding to assist its members by providing the following measures:

- ▶ Technical training and coaching in the areas of nutrition, reproduction, genetic improvement, pasture and forage production and certifications. Currently, there are only a few professional producers who are members and so the level of technical knowledge among most members is generally low.
- ▶ Hiring a commercial technician so that they can better manage their customer portfolio and better identify and address any issues or challenges members may face in marketing their products. This is important since members choose to be part of the PO, not only because it helps them with commercialisation of their products – guaranteeing that it is valued at a fair price – but also because of the availability of qualified technical support.



The PO would also like to implement additional activities related to animal health practices, as presented in the fiche '[Obtaining animal welfare certification](#)'.

### What are the expected outcomes of the actions?

The expected outcomes of providing training and coaching in the areas of animal nutrition, reproduction, genetic improvement, pasture and forage production and certifications include:

- ▶ **Improved competitiveness** due to expert technical support, since members would be better equipped to solve production-related problems, adapt to new technologies and comply with legal obligations related to animal welfare and the environment. Additionally, this support helps to increase members' awareness of current issues related to sustainability and animal welfare, and their capacity to interpret technical aspects of production.
- ▶ Higher **quality meat products** due to improved animal health, welfare and production. Farmers who receive training in breeding and genetic improvement will also be able to select and breed animals with more desirable traits, such as higher meat yield, which can improve the quality of their products and could lead to price premiums for their products.
- ▶ Improved **market access**, from implementing animal welfare certification activities. The PO can demonstrate its commitment towards sustainable and ethical animal production practices, which can further enhance its reputation and help in accessing new markets.

<sup>35</sup> [https://agriculture.ec.europa.eu/farming/geographical-indications-and-quality-schemes/geographical-indications-and-quality-schemes-explained\\_en](https://agriculture.ec.europa.eu/farming/geographical-indications-and-quality-schemes/geographical-indications-and-quality-schemes-explained_en)



### What is the opinion of the organisation on the opportunity offered by the OP?

*"...Operational Programme funding represents an opportunity for a significant step forward in improving PO members' skills, knowledge, and market competitiveness"*



# Useful links

## CAP Strategic Plans:

[https://agriculture.ec.europa.eu/cap-my-country/cap-strategic-plans\\_en](https://agriculture.ec.europa.eu/cap-my-country/cap-strategic-plans_en)

## CAP Strategic Plans by country (including links to the national websites):

[https://agriculture.ec.europa.eu/cap-my-country/cap-strategic-plans-country\\_en](https://agriculture.ec.europa.eu/cap-my-country/cap-strategic-plans-country_en)

The links provided for each EU country guide you to the national website, where the formally approved CAP Strategic Plan can be found. The completeness of the information provided in the linked document is solely the responsibility of the competent national authorities.

## European CAP Network:

[https://eu-cap-network.ec.europa.eu/index\\_en](https://eu-cap-network.ec.europa.eu/index_en)

The Network is a forum through which National CAP Networks, organisations, administrations, researchers, entrepreneurs and practitioners can share knowledge and information (e.g. via peer-to-peer learning and good practices) about agriculture and rural policy.

## Producer and interbranch organisations:

[https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/producer-and-interbranch-organisations\\_en](https://agriculture.ec.europa.eu/common-agricultural-policy/agri-food-supply-chain/producer-and-interbranch-organisations_en)

The European Commission supports farmers' participation in producer and interbranch organisations.

# Full list of types of interventions included in the EU Regulation

Article 47 of Regulation (EU) 2021/2115 lists the types of interventions that Member States shall choose in their CAP Strategic Plans, differentiating them by objectives (objectives listed in Article 46 of that Regulation).

1. For each objective chosen from among those referred to in Article 46, points (a) to (i) and (k), Member States shall choose in their CAP Strategic Plans one or more of the following types of intervention in the sectors referred to in Article 42, points (a), (d), (e) and (f):
  - a. investments in tangible and intangible assets, research and experimental and innovative production methods and other actions, in areas such as:
    - i. soil conservation, including the enhancement of soil carbon and soil structure, and the reduction of contaminants;
    - ii. improvement of the use of and sound management of water, including water saving, water conservation and drainage;
    - iii. preventing damage caused by adverse climatic events and promoting the development and use of varieties, breeds and management practices adapted to changing climate conditions;
    - iv. increasing energy saving, energy efficiency and the use of renewable energy;
    - v. ecological packaging, only in the field of research and experimental production;
    - vi. biosecurity, animal health and welfare;
    - vii. reducing emissions and waste, improving the use of by-products, including their reuse and valorisation, and the management of waste;
    - viii. improving resilience against pests and reducing risks and impacts of pesticide use, including implementing Integrated Pest Management techniques;
    - ix. improving resilience against animal disease and reducing the use of veterinary medicines, including antibiotics;
    - x. creating and maintaining habitats favourable to biodiversity;
    - xi. improving product quality;
    - xii. improving genetic resources;
    - xiii. improving the conditions of employment and enforcing employer obligations as well as occupational health and safety requirements in accordance with Directives 89/391/EEC, 2009/104/EC and (EU) 2019/1152;
  - b. advisory services and technical assistance, in particular concerning sustainable pest and disease control techniques, sustainable use of plant protection and animal health products, climate change adaptation and mitigation, the conditions of employment, employer obligations and occupational health and safety;
  - c. training, including coaching and exchange of best practices, in particular concerning sustainable pest and disease control techniques, sustainable use of plant protection and animal health products, climate change adaptation and mitigation, as well as the use of organised trading platforms and commodity exchanges on the spot and futures market;
  - d. organic or integrated production;
  - e. actions to increase the sustainability and efficiency of transport and of storage of products;
  - f. promotion, communication and marketing including actions and activities aimed in particular at raising consumer awareness about the Union quality schemes and the importance of healthy diets, and at diversification and consolidation of markets;
  - g. implementation of Union and national quality schemes;
  - h. implementation of traceability and certification systems, in particular the monitoring of the quality of products sold to final consumers;
  - i. actions to mitigate, and to adapt to, climate change.

2. As regards the objective referred to in Article 46, point (j), Member States shall choose in their CAP Strategic Plans one or more of the following types of intervention in the sectors referred to in Article 42, points (a), (d), (e) and (f):
- a. setting-up, filling and replenishing of mutual funds by POs and by associations of POs recognised under Regulation (EU) No 1308/2013, or under Article 67(7) of this Regulation;
  - b. investments in tangible and intangible assets making the management of the volumes placed on the market more efficient including for collective storage;
  - c. collective storage of products produced by the PO or by its members, including where necessary collective processing to facilitate such storage;
  - d. replanting of orchards or olive groves where that is necessary following mandatory grubbing up for health or phytosanitary reasons on the instruction of the Member State competent authority or to adapt to climate change;
  - e. restocking with livestock after compulsory slaughter for health reasons or because of losses resulting from natural disasters
  - f. market withdrawal for free distribution or other destinations, including where necessary processing to facilitate such withdrawal;
  - g. green harvesting, consisting of the total harvesting on a given area of unripe non-marketable products which have not been damaged prior to the green harvesting, whether due to climatic reasons, disease or otherwise;
  - h. non-harvesting, consisting of the termination of the current production cycle on the area concerned where the product is well developed and is of sound, fair and marketable quality, excluding destruction of products due to a climatic event or disease;
  - i. harvest and production insurance that contributes to safeguarding producers' incomes where there are losses as a consequence of natural disasters, adverse climatic events, diseases or pest infestations while ensuring that beneficiaries take necessary risk prevention measures;
  - j. coaching to other POs and associations of POs recognised under Regulation (EU) No 1308/2013 or under Article 67(7) of this Regulation, or to individual producers;
  - k. Implementation and management of third-country sanitary and phytosanitary requirements in the territory of the Union to facilitate access to third-country markets;
  - l. communication actions aiming at raising awareness and informing consumers.



# Accompanying interventions

Accompanying intervention should pursue one of the following objectives (**Article 13 – Delegated Regulation (EU) 2022/126**):

- ▶ (a) **exchanging best practices** in **crisis prevention and management interventions** allowing the beneficiary to benefit from the experience gained in the implementation of crisis prevention and risk management interventions;
- ▶ (b) promote the **creation of new POs, merge existing POs** or **allow individual producers to join** an existing PO, as well as **advise PGs on how to obtain recognition** as a PO;
- ▶ (c) create **networking opportunities for providers and beneficiaries of accompanying measures**, in particular marketing channels as an instrument for crisis management and prevention.
- ▶ In order to benefit from OP funding, the beneficiary and the provider of accompanying measures must be a PO, an APO, a transnational PO, a transnational APO or a PG. The provider of accompanying measures shall receive aid for the accompanying intervention.
- ▶ All eligible costs relating to the accompanying measures shall be paid to the provider of the accompanying measures who shall integrate this intervention into his Operational Programme.
- ▶ Support interventions are not outsourced.

# List of types of ineligible expenditure

## Information from Delegated Regulation (EU) 2022/126

- ▶ General production costs and, in particular, costs relating to mycelia (even certified), seeds and non-perennial plants; plant protection products (including integrated pest management); fertilisers and other inputs; collection or transport costs (internal or external); storage costs; packaging costs (including the use and management of packaging), even in the context of new processes; operating costs (including electricity, fuel, maintenance)
- ▶ Repayments of loans taken out for an intervention.
- ▶ The purchase of undeveloped land, the cost of which exceeds 10% of the total eligible expenditure of the operation concerned.
- ▶ Investment in means of transport intended for use by the beneficiary in the beekeeping sector or by the PO in connection with marketing or distribution.
- ▶ Operating costs of the leased property
- ▶ Lease expenses (taxes, interest, insurance costs, etc.) and operating costs.
- ▶ Subcontracting or outsourcing contracts relating to operations or expenditure mentioned as ineligible in this list.
- ▶ National or regional taxes or levies.
- ▶ Interest on debt, except in cases where the contribution takes the form of something other than a direct grant.
- ▶ Investments in shareholdings or capital of companies if they constitute financial investments.
- ▶ Costs incurred by parties other than the beneficiary, the PO or its members, associations of POs or their producer members, or a subsidiary or an entity belonging to a chain of subsidiaries within the meaning of Article 31(7) or, subject to approval by the Member State, a cooperative member of a PO.
- ▶ Interventions not taking place on the holdings and/or premises of the PO, the association of POs or their producer members, or of a subsidiary or an entity belonging to a chain of subsidiaries within the meaning of Article 31(7), or, subject to approval by the Member State, by a cooperative member of a PO.
- ▶ Interventions outsourced or implemented by the beneficiary, the PO outside the Union, with the exception of the type of intervention for promotion, communication and marketing referred to in Article 47(1)(f) of Regulation (EU) 2021/2115.

