



**ERASMUS+ 2016-1-ES01-KA204-025730**

***O1-2: Analysis & Good practices***

***in the scope of the***

***EU Agricultural Rural sector's entrepreneurship***



Co-funded by the  
Erasmus+ Programme  
of the European Union



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## Introduction

The Intellectual Output 1-2 is a report on the good entrepreneurship practices in the European agri-food sector, with a specific focus on Italy, Spain, Hungary, Romania, Greece, Belgium and Finland. It:

- defines the training objectives to be developed in the next IO,
- integrates local and regional stakeholder groups,
- links the project to the stakeholders of agrifood sector.

This Report is an important milestone of the project, as it guides the development and final achievement of the formative objectives.

It includes:

- analysis and discussions on the state of the art,
- methodology to involve stakeholders in project objectives,
- local and regional best practices in the sector as well as their transferability assessment,
- pedagogical approaches,
- target group needs,
- innovative aspects such as globalization, technological progress or eco-agriculture among others, considering how the rural sector is affected.

It represents as a comparative assessment of current situation among specific EU countries (Rural Agree partners), analyzing strength, weaknesses, problems and opportunities.

This report is part of the dissemination tool since it describes the national situation in agrifood sector.

The report is based on the following three pillars:

1. Review of training content and existing pedagogical models for entrepreneurship in the agri-food sector, with special attention in the formal and informal learning environments, focusing on the objective of self-learning.



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2. Assessment of success cases, developed with the key aspects of each experience, and performance of a comparative and transferability analysis of them.

3. Development of local and regional stakeholder groups (between 6 and 10 participants per partner). These groups will provide inputs for research and analysis of needs, will guide the pilot action, and will contribute to the evaluation of the actions in the development phase and to the validation of the final contents.

The needs assessment will have a multidisciplinary approach, given the broad focus of the project in the areas of business management, distribution, marketing, purchasing and financing, and will include the know-how in the use of online platforms and tools, in order to adjust the technological development and the needs of the target groups of the training contents.

The report has been prepared by LAMORO.



## 1. Regional Socio-economic and Rural Development Framework

Rural development policy aims to improve: competitiveness in agriculture and forestry; the quality of the environment and countryside; life in rural areas; and the diversification of rural economies. As agriculture has modernised and the importance of industry and more recently services within the economy has increased, so agriculture has become much less important as a source of jobs. Consequently, increasing emphasis is placed on the role farmers can play in rural development, including forestry, biodiversity, the diversification of the rural economy to create alternative jobs and environmental protection in rural areas. The common agricultural policy is one of the oldest policies of the European Union (EU). The latest reform of the CAP was formally adopted by the European Parliament and the Council in December 2013. It was designed to lead to far-reaching changes: making direct payments fairer and greener, strengthening the position of farmers within the food production chain, and making the CAP more efficient and more transparent, while providing a response to the challenges of food safety, climate change, growth and jobs in rural areas, thereby helping the EU to achieve its Europe 2020 objectives of promoting smart, sustainable and inclusive growth.

A brief summary of the socio economic of each partner countries situation is reported in order to give a complex panorama: it is important to identify significant and key stakeholders dealing with agri-food sector and rural development instruments. Also a brief description of the more recent Rural Development Plan is provided as it is the more important reference plan of the rural topics. The national and regional framework are important to find out the best practice in terms of good entrepreneurship examples. It represents an analysis and discussions on the state of the art, target group needs, comparative assessment of current situation among specific EU countries (Rural Agree partners), analyzing strength, weaknesses , problems and opportunities.



This section focusses on the people working in agriculture. It presents various socio-economic characteristics of farmers, such as their age, gender and level of education. It also presents in detail different features of the work on farms. (All the information of this paragraph are sourced by the Common Agricultural Policy and Eurostat).

According to the national accounts around 10 million people worked in agriculture in the EU-28 in 2015 and accounted for 4.4 % of total employment. Almost three quarters (72.8 %) of the agricultural workforce in the EU-28 was concentrated in seven countries: Romania, Poland, Italy, France, Spain, Bulgaria and Germany.

Employment in agriculture constituted more than 10 % of total employment in four Member States: Romania (25.8 %), Bulgaria (18.2 %), Greece (11.0 %) and Poland (11.0 %). Very low shares — below 2 % — were reported in Germany (1.4 %), Sweden (1.3 %), Belgium (1.2 %), Malta (1.2 %), the United Kingdom (1.1 %) and Luxembourg (0.8 %).

Agriculture was the main component of the primary sector in all Member States. In the national accounts this sector is composed of three activities: agriculture (crop and animal production, hunting and related service activities), forestry and lodging as well as fishing and aquaculture. However, the proportions of people employed in forestry and fishing were very small in majority of Member States.

As reported in the 2016 Labour Force Survey (LFS), in the EU-28, 31.8 % of the agricultural labour force was below 40 years old compared to 42.4 % in the total working population. 59.2 % of those working in agriculture were 40-64 years old, against 55.2 % of the overall working population. 9.0 % were older than 64,

	Total			Agriculture		
	15-39	40-64	65 and over	15-39	40-64	65 and over
EU-28	42.4	55.2	2.4	31.8	59.2	9.0
Belgium	44.1	54.9	1.0	26.9	64.6	-
Bulgaria	40.2	57.8	2.1	35.3	60.7	-
Czech Republic	41.8	55.8	2.4	32.7	63.8	3.5
Denmark	44.0	52.8	3.2	44.7	43.2	12.2
Germany	40.2	57.2	2.7	29.5	62.1	8.4
Estonia	42.4	52.6	5.0	29.9	64.4	-
Ireland	46.3	50.4	3.3	22.2	56.1	21.7
Greece	40.3	57.9	1.7	24.8	68.4	6.8
Spain	40.6	58.5	0.9	36.9	61.3	1.8
France	42.6	56.1	1.3	30.3	66.0	3.7
Croatia	46.2	52.3	1.5	23.5	62.3	14.2
Italy	35.0	62.7	2.3	32.5	60.6	6.9
Cyprus	49.0	48.4	2.5	32.2	52.1	15.7
Latvia	42.7	53.8	3.5	26.5	67.9	5.6
Lithuania	41.4	55.4	3.2	25.7	66.5	-
Luxembourg	48.3	51.3	0.4	50.0	45.8	-
Hungary	43.0	56.0	1.0	35.0	62.9	-
Malta	53.8	44.5	1.7	-	73.7	-
Netherlands	45.5	52.1	2.4	35.6	59.5	4.9
Austria	46.0	52.2	1.8	25.3	61.0	13.8
Poland	48.2	49.9	1.8	32.7	64.1	3.2
Portugal	39.5	55.4	5.1	13.9	44.5	41.6
Romania	44.0	52.7	3.3	35.3	51.1	13.6
Slovenia	44.6	54.1	1.4	25.8	57.0	17.5
Slovakia	46.5	52.7	0.8	36.0	62.1	-
Finland	43.3	53.9	2.8	29.6	57.9	12.5
Sweden	43.7	52.8	3.5	32.4	52.4	15.2
United Kingdom	46.0	50.2	3.8	31.2	50.2	18.6
Iceland	46.5	47.8	5.7	21.2	66.7	-
Norway	44.8	51.6	3.5	36.9	50.5	12.6
Switzerland	44.6	51.4	3.9	30.5	55.2	14.4
Form. Yug. Rep. of Macedonia	45.8	52.9	1.3	29.5	64.2	6.3
Turkey	57.5	39.8	2.7	36.5	53.5	10.0

This Project has received funding from the European Union under the Programme under Grant Agreement No. 101019719

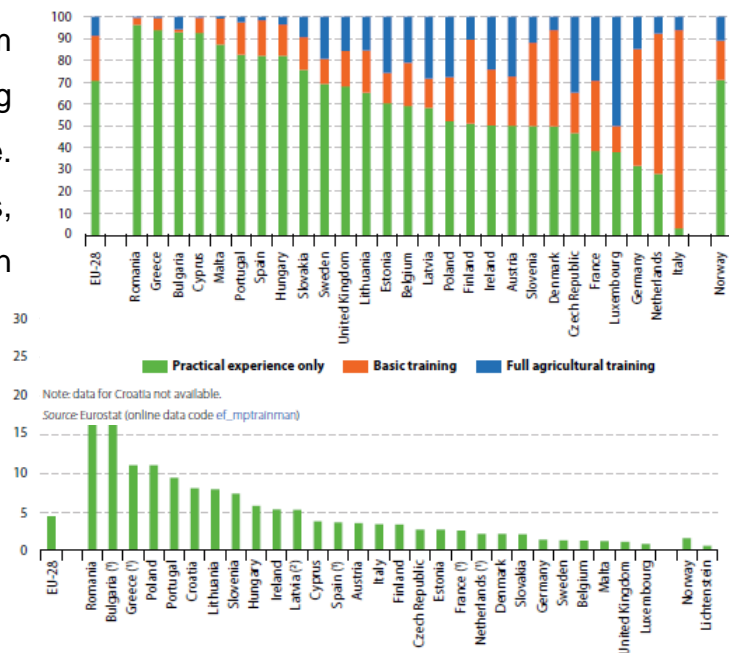


compared with only 2.4 % in the total working population (see Table 2.2.1). Looking at national data, the proportion of people aged under 40 was higher in the total working population than among people working in agriculture in all countries except for Luxembourg and Denmark. By contrast, in all countries the proportion of people aged 65 and over was higher among people working in agriculture than in the total working population.

The highest proportions of young people (below 40 years old) in the agricultural labour force were reported in Luxembourg (50.0 %) and Denmark (44.7 %) and the lowest in Portugal (13.9 %). People aged 65 and above accounted for over 15 % of farm workers in six Member States, with the highest levels reported in Portugal (41.6 %) and Ireland (21.7 %). More than half of farmers were aged between 40 and 64 in all countries but Luxembourg, Portugal and Denmark.

Besides educational attainment levels, more detailed information on the agricultural training of farm managers is also very important. As reported by the Farm Structure Survey (FSS) in 2013, in the EU-28 70.7 % of farm managers had only practical experience, 20.7 % had basic agricultural training and 8.6 % had followed full agricultural training. Figures varied significantly between countries. In 20 Member States, half or more of farm managers reported having only practical experience.

The highest figures for this, exceeding 90 %, were in Romania, Greece, Bulgaria and Cyprus. Italy, on the other hand, reported that just 3.1 % of farmers had only practical experience, while 90.8 % declared





having basic agricultural training. In the Netherlands and Germany more than 50 % of farmers had basic agricultural training (64.2 % and 53.2 %, respectively). By contrast, fewer than 10 % of farmers had that kind of training in Cyprus, Greece, Romania and Bulgaria. As for full agricultural training, the highest proportion was in Luxembourg, where half of all farm managers had such training. It was followed by the Czech Republic, France, Latvia, Poland, Austria and Estonia, all of which had proportions higher than 25 %. The lowest proportions, of less than 1 %, were reported in Malta, Greece, Cyprus and Romania.

### **a. Flanders**

Flanders is the northern region of Belgium. The region has a very high population density (475 inhabitants per km<sup>2</sup>) which is more than four times the average density of the European Union. Only 7% of the area is rural and 2,5% of the population lives in the rural area. The Flemish countryside is highly urbanised. It has a very fragmented landscape with strong links between countryside and cities. From the geographical, functional and cultural points of view, rural and urban areas are increasingly interlinked.

The total gross value added of the Flemish region is €182 billion of which the primary sector accounts for less than 1%. Consolidating the position of farmers in the food production chain and decreasing the negative effects of price volatility in the sector are therefore key challenges.

Farming in Flanders is large-scale and intensive, with high yields per hectare. This is inevitably linked to higher consumption of fertilisers and plant protection products and negative effects on soil and water quality and loss of biodiversity. Especially high concentrations of nitrates in groundwater and surface water remain a challenge. The average age of farmers is more than 50 years (only 5% of farmers are younger than 35 years). Few farmers have a successor. Young farmers suffer from a lack of funds when starting up and therefore need some support. It remains a challenge for Flanders to stimulate innovation in order to maintain its competitive position in agriculture. At the same time, it is necessary





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to ensure the transfer of knowledge so that innovations, developed by entrepreneurs in the agricultural sector, can be widely adopted by farmers and put into practice. For several years, the number of farms in Flanders has been decreasing. There are many micro enterprises that are essential to develop and to maintain the dynamism in rural areas. Indeed, these enterprises create on the one hand, employment for the residents, and on the other hand, they take part in various local activities

### ***The RDP measures in Flanders***

Firstly, the RDP aims at ensuring the future of farming through support for young farmers: Flanders will also invest in innovation and education with a future-oriented approach for tackling individual, business-focused and general societal challenges.

The RDP also focusses on increasing the resilience and sustainability of the agricultural sector in all its aspects. On the one hand, there is the ecological aspect where special attention is given to biodiversity, water quality, Natura 2000, erosion-reduction and environmental and climate-friendly farming practices. On the other hand, the economical aspect will be supported with attention given to the producers' position in the agri-food chain, crisis-resilience of the sector and development of risk management.

The RDP will strengthen the quality and vitality of rural areas. The decrease in the number of farming, a trend which has been accompanied by an increase in the size of farms, will be tackled. Other challenges which will be addressed include the diversification of the rural economy, the promotion of rural tourism and the viability of part-time agriculture. Actions related to societal challenges, such as poverty within rural communities, will also be implemented.

The cross-cutting priority "Knowledge transfer and innovation in agriculture, forestry and rural areas" will help the agricultural sector and rural businesses to incorporate the results of research and innovation into their production systems.

### ***b. Romania***



Romania covers an area of 238 000 km<sup>2</sup>, of which 87% is rural. Of the total area, agricultural land covers 57 % and forest land 30 %. The unemployment rate is 7% (2012). The total population is nearly 20 million – of which 45% lives in rural areas. The share of agriculture in the Romanian economy (at 6,6% of Gross Value Added) still remains one of the highest in the EU (more than three times the EU average of 1,7% of GVA).

Approximately one third of all farms in the EU are found in Romania: increasing competitiveness of the sector and accompanying the restructuring process are key challenges. Farming structures are highly polarised - large and medium sized farms, account for around 7% of holdings, but manage some 70% of agricultural area, and have a clear competitive potential. On the other hand, 93% of the holdings are less than 5 ha - these are typically subsistence and semi-subsistence holdings, which manage the other 30% of the agricultural area. The average farm size is considerably smaller than the EU average (3,4 ha in RO compared to an EU average of 14,4 ha). Average productivity is low, currently 30% of EU average levels, despite Romania's potential in the sector. The subsistence and semi-subsistence farms are poorly technically equipped and lack market orientation or involvement in cooperative activities, which could assist them to better integrate in markets. Access to credit and farm insurance is difficult for the sector overall, particularly for small farmers.

Agriculture still provides some 30% of total employment in Romania, the largest share in the EU, six times higher than the EU average. A further 2% are employed in the food industry. Faced with an unfavourable age structure (only 7% of farmers are young farmers), those working in the sector display a low level of formal education and skills. There is a strong need for upgrading professional skills in agriculture, while at same time promoting economic diversification in rural areas (only 18% of the non-agricultural SMEs in Romania are located in rural areas) - to provide new jobs, reduce over-dependence on agriculture, and to increase rural incomes. Basic infrastructure and access to



services in the rural areas continue to be of poor quality and insufficiently developed. 40% of the rural population is at risk of poverty and social exclusion. More than one fifth of farmland is under high nature value systems of farming. Among the key challenges concerning the environment and land management are the dual pressures of risk of abandonment of agricultural activities in some areas, and pressures from intensification in others. Large agricultural areas are affected by soil degradation phenomena (erosion, landslides, and desertification), risks that are expected to intensify as the effects of climate change increase.

In contrast, among the opportunities and potential of the Romanian rural areas are the recent trend in agricultural export growth, high quality of agricultural land conducive to increasing agricultural production, rich cultural heritage and biodiversity, closely associated with use of traditional extensive land management practices.

### ***The RDP measures in Romania***

Knowledge transfer and innovation in agriculture, forestry and rural areas : training will deal with linked to the development of the farm/food businesses (particularly small and young farmers) and how to better deliver environmental and climate-related benefits.

Competitiveness of agri sector and sustainable forestry: there is a particular emphasis on promoting association between small farmers in order to improve competitiveness of the many small farms.

Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture: the RDP aims to modernise and support the investments of food processing units, to set up new producer groups, with the participation of holdings and to support cooperation projects (e.g. in short supply chains and local markets). Farmers will take part in a mutual fund so that they can better mitigate the effects of adverse climate and other risks.



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Restoring, preserving and enhancing ecosystems related to agriculture and forestry: sustainable land management, to protect its unique rural environment and ecosystems is of great importance to Romania and therefore nearly one third of all RDP financing will be devoted to this priority.

Resource efficiency and climate: the RDP puts particular emphasis on resource efficiency and particularly the challenge of climate change for agriculture. The RDP will support projects for modernisation of existing irrigation infrastructure, targeting many hectares of agricultural land on which the use of water will be more efficient and adapted to increased water scarcity. This will be complemented by training & advisory actions to help farmers adapt farming practice to increase their efficiency of water use.

Social inclusion and local development in rural areas: the RDP aims to promote diversification of the rural economy and creation of new job opportunities to help surplus labour from agricultural sector, and increase rural incomes. They will include investments in local roads, waste water/water supply facilities, crèches, kindergartens, afterschools, and agricultural high schools.

### **c. Greece**

Greece will implement a single national Rural Development Programme. The country covers an area of 131.621 km<sup>2</sup>, of which 82,2% is rural and where 44.1% of the population live. Over half of the country's 723.010 agricultural holdings have less than 2 hectares and the small and fragmented land parcels constitute one of the main characteristics of Greek agriculture. The lack of a skilled workforce is a barrier to growth for farms. Only 12,6% of farm managers is less than 35 years old and merely 3,5% of all farm managers have agricultural training. The indicator measuring the standard of living of farmers stands at 64,4% of the standard of living of persons employed in other sectors.

Agriculture contributes 3,7% of the Greek Gross Value Added (2013) of the country. In terms of employment, agriculture accounts for 13,2% and the agri-food sector for 3,3% of the total. The economic importance of the sector is



therefore significant and enhancing its competitiveness by overcoming its structural, environmental and climatic limitations remains a key challenge.

Greece received significant subsidies for agriculture until the 1990s.

### ***The RDP measures in Greece***

Knowledge transfer and innovation in agriculture, forestry and rural areas: under this priority the Greek RDP aims at supporting cooperation projects, including the framework of the European Innovation Partnership, as well as by stimulating the development of supply chain partnerships in the agri-food sector. Trainings will be made available to enhance knowledge transfer in the fields of environmental awareness, innovative technologies, and research to encourage practical implementation on farms and in forests.

Competitiveness of agricultural sector and sustainable forestry: Greek farms will benefit from business development plan support for Young Farmers and from support for restructuring and modernising their businesses. It should be noted that young farmers will also benefit from training and a higher support rate for their investments under the corresponding measures of the programme.

Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture: agricultural holdings will receive support to set up short supply chains, develop local markets and launch promotion activities, and agri-food businesses will receive support for investments in the processing and marketing sector.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry: Greece aims at bringing agricultural land under contracts to preserve biodiversity, to improve water management and to improve soil management. Measures to support agro-forestry and afforestation aim at bringing a small part of Greece's forest land under management contracts.

Resource efficiency and climate: this priority aims at supporting a more efficient use of natural resources, in particular water, and the development of renewable energy sources in Greece. It is expected that irrigated lands will switch to more



efficient irrigation systems. Integrating this support with measures, such as investments in physical assets and knowledge transfer activities and advisory services, is expected to improve water efficiency reduce and agriculture's share in overall water consumption.

Social inclusion and local development in rural areas: nearly half of Greece's rural population is expected to be covered by a local development strategy while approximately 10% of the rural population will benefit from improved services and ICT infrastructure.

#### **d. Italy, Piemonte Region**

Rural development in Italy is implemented through 22 RDP — two national and 21 regional RDPs (including “less developed regions”, “transition regions” and “more developed”). In addition, a national rural network programme supports activities of pooling and transfer of knowledge between the different actors of rural development in Italy.

Italy covers an area of 301 337 km<sup>2</sup> of which 92% is rural. The total population is 60.7 million, of which almost 58% live in rural areas.

The utilised agricultural area (UAA) is just under 13 million hectares, out of which almost 4 million (31%) are irrigable and almost 3 million (21%) are irrigated. The average size of farms is 7.9 ha of total agricultural land (SAT). Out of a total of 1.6 million agricultural holdings, approximately 650 000 have irrigable land.

The level of subscription to insurance instruments is low, in terms of number of holdings covered, 78.000 agricultural holdings (5% of a total of 1.600.000) for crops and 1.980 for livestock sector.

Piemonte is a north-west region classified as “more developed”. It covers an area of 25.403 km<sup>2</sup> and has a population of 4,5 million inhabitants. The incidence of less developed rural areas is 55,4% in terms of area and 32,2% in terms of population; for the intermediate areas the incidence is of 17,8% in terms of area and 16,2% in terms of population, while the incidence of urban



land is 26,9% in terms of area and 51,7% in terms of the population. Employment rate is 63,8% overall, 70,7% for men and 56,9% for women. The unemployment rate is 9,2% overall but rising to 31,9% for young people.

The Region consists of 44% agricultural land, 36% woodlands or forests, 16% grasslands and, while 4% is artificial land cover.

There are 67.150 farms in the Region, of which 38% with a standard output (SO) of less than 8.000 euro and 37% with a SO of at least 25.000 euro. The average size of farms is 15 ha of utilized agricultural area (UAA) and the average SO is 57.659 euros. While these values are higher than the national average (8 ha of UAA and EUR 30.500), they remain substantially below the averages of most EU countries. A major challenge in terms of competitiveness of agriculture faced by the Piemonte is represented by the pursuit of a higher degree of efficiency either through increasing farm size or through aggregation processes.

The UAA is 1.010.780 hectares, of which 54% are arable crops, 37% permanent grassland and 9% permanent crops (mainly vines and fruit). Areas with natural constraints (in Piemonte exclusively mountainous areas) amount to 53% of the region's surface; the UAA in mountain areas is 30% of the total UAA of Piemonte.

The animal husbandry sector counts 1.030.400 livestock units (LU) and is concentrated mainly in the intensive farms of the plain. Nitrate pollution and ammonia emissions impact significantly on natural resources and air quality in the respective areas. Waters are also under stress by the use of pesticides and the extraction of water for agricultural use. One fifth of agricultural areas is also concerned by soil loss due to water erosion. Tackling this set of critical issues is the main environmental challenge for Piemonte.

Another challenge is reversing the trend of marginalization of mountain areas, including digital divide.

### ***The RDP measures in Italy***



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### Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Under this priority, the RDP will focus support on promoting the supply and use of risk management tools in agriculture. In order to mitigate the risks of production in agriculture, the national programme proposes to activate throughout Italy 3 risk management tools: harvest insurance, mutual funds and income stabilisation tool. It is expected that the RDP will provide support to more than 5% of farms, 90.000 farms.

### Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, the RDP will support the improvement of the genetic quality of livestock and animal biodiversity. The programme seeks to encourage an innovative system integrated livestock assistance based on cooperation and integration of functions and competences of the different actors and bodies involved. The RDP will thereby characterise and preserve genetic livestock heritage present in Italy.

The intervention will concern 39 Italian cattle breeds involved in the initiatives for biodiversity, corresponding to 100% of the Italian cattle breeds enrolled in the herd books and national registers.

### Resource efficiency and climate

Under this priority, the RDP will support investments to improve the efficient use of water resources through the irrigation infrastructure. The Programme pursues the objective of making more efficient use of the water resource, encouraging the restructuring and modernisation. This will contribute to the sustainability of agricultural production by promoting climate change adaptation and mitigation. The area to be covered by more efficient irrigation systems will be almost 400 000 hectares.

#### **e. Finland**





Finland covers an area that is rural for 95%. Of the total land area, 86% is covered by forests and 7,6% of agricultural land. The 30% of the total population live in rural areas. The built environment in Finland is low, about 3% of the total surface area.

The main challenges for agricultural activities in Finland relate to the low profitability of the agricultural sector due to cold climate and poor soil i.e. the natural constraints. The negative impact of agricultural activities on the environment include eutrophication of the water bodies, deterioration of natural habitats and reduction of species. The positive impact of agricultural activities on the environment relate to increased biodiversity, open agricultural landscapes and diverse cultural landscape, as well as improved living environment. Finnish agriculture is still based mainly on the family-farming type of agriculture. The number of farms is relatively high and the farm size relatively small.

About 42% (nearly 118.000) of all enterprises operating in Finland are located in rural areas; in 2010 about 93% of enterprises were defined as “micro sized”.

### ***The RDP measures in Finland***

Restoring, preserving and enhancing ecosystems related to agriculture and forestry: the objective is to maintain and develop valuable open, cultivated agricultural landscape and natural meadows and pastures, regardless whether they are used for food production, renewable energy, or managed without cultivation.

Promoting social inclusion, poverty reduction and economic development in rural areas: service innovations and a new kind of enterprise promotion in sparsely populated areas are needed, as well as more local, neighbourhood-oriented activity and participation.

Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture: measures are foreseen to support the diversification of agriculture-related



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businesses. The aim is to influence producers' capacity to respond to consumer demand for organic and local food, to improve the availability of their products and to increase the degree of processing. A further objective is to improve animal health and welfare and the impact on farm species specific care promotion.

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors: the aim is to improve the rural economy by enhancing sustainability and raising awareness of environmental issues as well as energy and resource efficiency. In this context, the RDP is seeking to increase the share of renewable energy and more efficient use of manure.

Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests: measures are foreseen to develop and raise agricultural productivity and competitiveness by improving the structure of agricultural production and seeking to improve the age structure of farmers.

#### ***f. Spain, Region of Aragon***

In Spain rural development is implemented through 18 separate RDPs, one at national level and 17 regional RDPs. However, common elements to the programmes are presented in a national framework. In addition, the National Rural Network provides the funding for the networking of rural development actors in Spain.

Spain covers an area of 505.991 km<sup>2</sup>, of which 80 % is rural. Of the total area, agricultural land covers 55 % and forest land 27 %. The unemployment rate was 25 % in 2014 and more than 50 % of the youth was unemployed (2014); since then things have evolved favourably.

While agriculture and rural areas in Spain face many challenges, the National RDP addresses those that could be tackled at national level taking into account



the repartition of competences between the national and regional authorities defined in the Spanish Constitution. One of such challenges is the fragmentation of agricultural cooperatives and the lack of integrated cooperatives which can cover more than one region and that are able to operate throughout the entire food chain. In the past, it has been difficult to modernise irrigation systems or combat forest fires affecting more than one region because such actions could not be carried out by the regions. Finally, disparities across regions in the uptake of research and development activities, the lack of entrepreneurial spirit and the limited financial capacity of farmers and agri-food companies is hampering innovation in both farming and forestry.

The region of Aragon, located in the northeast quadrant of the Iberian Peninsula. Aragon is considered as a strongly unbalanced territory where more than half of the population and 53,1% of the total gross disposable income are concentrated in the capital Zaragoza. This territorial imbalance is reflected in the fact that the provinces of Huesca and Teruel, which shape the Aragon rural area, only account for 27,4% of Gross Added Value and 27,6% of total employment. The unemployment rate in Aragon was 18,6% in 2012, so lower than the national level (25%) but higher than the EU average (10,50%).

The importance of the different economic sectors in terms of employment has shifted due to the economic crisis and significant decreases were observed especially in industry and construction. Agriculture has, however, performed well maintaining or even slightly increasing its share in total employment. Land occupation in Aragon (5,8% in 2012) has a greater weight than in the nation as a whole (4% in 2012).

Aragon's RDP will fund action under all Rural Development priorities – with a particular emphasis on enhancing farm viability and competitiveness of all types of agriculture and promoting innovative farm technologies and the sustainable management of forests as well as restoring, preserving and enhancing of ecosystems related to agriculture and forestry.

### ***The RDP measures in Aragon***



Knowledge transfer and innovation in agriculture, forestry and rural areas: this cross-cutting priority will be addressed mainly through measures supporting training.

Competitiveness of agri sector and sustainable forestry: besides previously mentioned support for training, farms will receive funding for investments focused on restructuring and modernisation.

Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture: under this priority, farms will receive funding for participating in quality schemes, local markets and short chain distribution.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry: the allocated amount will be used for area-based payments to farmers for using environment/climate friendly management practices, including organic farming.

Resource efficiency and climate: the support under this priority will mainly contribute to increasing efficiency in farms' water use: the irrigated land will switch to more efficient irrigation system.

Social inclusion and local development in rural areas: the programme will fund Local Development Strategies (LDS) drawn up and implemented by Local Action Groups (LAGs) under the LEADER approach.

### ***g. Hungary***

Hungary is a rural country with 66,3% of its area classified as rural, 33,1% as intermediate and only 0,6% is considered urban. 46% of the population lives in rural areas. Agricultural land covers 57% and forestry 21% of the total territory. Compared to the EU average the Hungarian agricultural sector is atypical with very high share of arable farming (81% of agricultural land) and low grassland (14,2%). Hungary has very favourable agro-ecological conditions for agricultural



production, which represent a significant growth potential. The share of agriculture in the GDP is 4%, while the overall agricultural industry (agricultural engineering and chemical industry, food processing industry, etc.) has a 15% share of the GDP. Agriculture and food industry are important pillars of the local economy, particularly in rural areas.

The average farm size in Hungary is 8,1 ha - much below the EU average; 87% of the farms have less than 5 ha. The average age of farmers in Hungary is 56 years; therefore there is an urgent need for generational renewal. The extent of horizontal and vertical co-operation in the Hungarian agri-food sector is low. The rural employment rate is low, and the unemployment rate for young people and women is especially high compared to the national average.

Concerning climate change, Hungary is frequently hit by important water imbalances between drought and floods and there is a clear need for more efficient water management. Hungary has a limited and outdated irrigation system and only 2,4% of the agricultural area is irrigated. Organic production is among the lowest in EU with 2,7%. Concerning biodiversity 83% of habitats are in poor condition. The main environmental challenges to be tackled concern the protection of biodiversity, the quality of surface and ground water and soil erosion.

### ***The RDP measures in Hungary***

#### Knowledge transfer and innovation in agriculture, forestry and rural areas:

Hungary is investing quite heavily in actions related to this priority. Knowledge transfer will address the training, information actions, exchanges and farm visits, advisory services and the training of advisors. An important element is innovation: projects will be supported to strengthen the link between agriculture, food and forestry sectors and research and innovation.

Competitiveness of agri sector and sustainable forestry: given the ageing farmer population and the small size of agricultural holdings in Hungary, the RDP will support the start-up of young farmers and the development of small farms. The



investments and modernisation of existing and competitive farms is also programmed with a clear targeting on the animal husbandry and horticultural sector and on young farmers.

Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture: under this priority, Hungary will support projects targeting processing and marketing development. It aims to improve the market position of the farmers by supporting the setting up of producer groups, which will bring together farmers. Hungary will also support farmers' participation in quality schemes and quality promotion activities.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry: under this priority Hungary will target interventions on territories with inland water and drought problems and on high nature values areas. Agricultural land and forests will be under management contracts for supporting biodiversity, to improve water and soil management. Farmland will receive support to either convert or maintain organic farming.

Resource efficiency and climate: the RDP has a strong focus on energy efficiency related investments in the agriculture and food processing sectors. Efficiency of existing water management systems will also be improved on agricultural land. Under this priority, the RDP will pursue carbon sequestration mainly by supporting afforestation, agroforestry systems, the prevention and restoration of damage to forest, the improvement of the resilience and environmental value of forest ecosystems, as well as their conservation, also by encouraging environmentally and climate friendly forest conservation services. The RDP will also pursue the reduction of greenhouse gas and ammonia emissions by investments in manure storage.

Social inclusion and local development in rural areas: the Hungarian RDP complements other EU interventions in rural areas. It supports the diversification of farmers' activities and it improves access to local services (local markets, social enterprises, secondary roads, homesteads). The RDP will



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also support small and very small villages' basic service development by waste water treatment in villages with less than 2 000 inhabitants and with the establishment of multifunctional community spaces in villages with less than 1 000 inhabitants. Local Development Strategies will be implemented through LEADER Local Action Groups and will cover over 68% of the rural population.



## 2. List of stakeholders

Each partner has individuated specific stakeholders dealing with the topic of rural development and agriculture. In general, in each country private SMEs and public organizations have been interviewed. Public actors are mainly responsible for the framework and the planning for the agri-food sector. The private SMEs can give an interesting point of view about the efficacy of the policy instruments and the impacts of regulations on the ground.

Each list (from each partner country) represents the target groups in which Rural Agree products should be diffused. The stakeholders list is also useful and very important for the communication activities about the project life: the identification of the right target group allows to match better the project goals, a better diffusion of the project contents and promotes the replication of the results/output in order to make more sustainable the project outcomes.

### a. in Flanders

- Alimento – Flemish branch organization of the food industry - [www.alimento.be](http://www.alimento.be)
- Fabrics of the Future – regional consortium of partnership to develop and enhance to regional clusters in West-Flanders of Food, Design, Blue Energy and New Materials - [www.fabriekevoordetoekomst.be](http://www.fabriekevoordetoekomst.be)
- Campofrio Food Group – cooperate company for meat transformation- [www.campofriofoodgroup.be](http://www.campofriofoodgroup.be)
- Province of West-Flanders – Regional Government Authority - [www.west-vlaanderen.be](http://www.west-vlaanderen.be)
- 2 private consultants (quality and marketing) in food sector
- Flanders Food – strategic and innovation knowledge centre for agro-food industry - [www.flandersfood.com](http://www.flandersfood.com)

### b. in Romania

- Conventia Nationala a Fundatiilor pentru Tineret. - CNFT - [www.cnft.ro](http://www.cnft.ro)





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- Asociația Oraselor din România. - AOR - [www.aor.ro](http://www.aor.ro)
- Asociația Oamenilor de Afaceri Argeș. – AOA ARGES - [www.aoaarges.ro](http://www.aoaarges.ro)
- Asociația de Tineret pentru Invățământ și Știință Solaris. - Solaris - [www.atsolaris.ro](http://www.atsolaris.ro)
- Patronatul Tinerilor Intreprinzători din România. – PTIR - [www.ptir.ro](http://www.ptir.ro)
- Blocul Național Sindical. – BNS - [www.bns.ro](http://www.bns.ro)
- Asociația In. Motion. – In.Motion- [www.in.motion.ro](http://www.in.motion.ro)
- Asociația pentru Dezvoltarea Antreprenoratului Pregătite Profesională și Transfer Tehnologic. – ADAPT - [www.adapt.ro](http://www.adapt.ro)
- Centrul de Afaceri Master. – Master- [www.centrumaster.ro](http://www.centrumaster.ro)
- Consiliul Național al Intreprinderilor Mici și Mijlocii de România. – CNIPMMR - [www.cnipmmr.ro](http://www.cnipmmr.ro)

### **c. in Greece**

- Zarkos Panagiotis, Farmer, Self-employed
- Sokratis Martinopoulos, Farmer, Self-employed
- Vagelis Dreveridas, Farmer, Self-employed
- Charalampos Fronimadis, Self-employed, Oil Producer
- Dardanis Filippos, Self-employed, Farmer/Trader/Supplier in Fruit Market
- Konstantinos Relias, SME, Relias Consulting
- Sotiris Giannakoulis, Cooperative Group, Wine Cooperative of Nemea
- Ioannis Dontas, SME, Zeus Consulting SA
- Aratos S.A., SME
- Michalis Chatzipetrou, SME, Sat Mobile Apps Ltd
- Dimitrios Koukas, SME, Printeco Ltd



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- Iason, Owner , Iason Iosif
- Panagiota Tertipi, Self-employed, Small Cheese Production Plant
- Panos Lykourgiotis, SME, Eastern Light Photography - Zante
- Nantia Tokatoglou, Self-employed, Farmer, Oil Producer
- Chris Karvounas & Ioannis Karvounas, SME, KARVOUNAS

#### *d. in Italy*

- CREA, Italian Agriculture research Institute (research body of the Italian Ministry of Agriculture)
- Regional Board of Education of the Piedmont Region
- 1 Local restaurant
- University of Turin, Dept of Management
- Réseau Entreprendre Piemonte, Incubator not for profit for young entrepreneurship (territorial vocations)
- Metropolitan City of Turin, District Government Authority
- Professional Union of Journalist of the Province of Asti
- Officina Contadina, small agriculture company
- Casa di Carità Arti e Mestieri (CCAM) no-profit vocational training center

#### *e. in Finland*

- 1 Expert, Maa- ja kotitalousnaiset, Women's associations
- 1 Expert, ProAgria, Cluster and companies or associations of companies of the agri-food sector
- 1 Expert, Worker in the agri-environmental sector
- 1 Expert, Resident in rural areas, with an entrepreneurial vocation, and knowledge of the agri-environmental sector



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### *f. in Spain*

- Asociación de Industrias de Alimentación de Aragón – AIAA [www.aiaa.es/](http://www.aiaa.es/)
- Consejo Regulador IGP Ternasco de Aragón.(Certification and promotion of a quality differential of the agri-food sector brand.)  
<http://www.ternascodearagon.es/consejo-regulador-ternasco-de-aragon/>
- Porcino ADM S.C. (Maternity wine farm)
- García Segundo S.C. (Agropecuario)
- Maria Pilar Esteban Pelegrín-Sector Ganadero (Exploitation of sheep in semi-extensive treatment for the production of lamb, with designation of origin “Ternasco of Aragon”)
- Porcino Ezquerria Serrano S.L.

### *g. in Hungary*

- Nagy Adrián, family farm, Self-employed
- Csákó Ferenc, Self-employed
- Csákó Ferenc Jr., Self-employed
- Nagy Dánielné Self-employed
- Agrárgazdaság Ltd.
- Agrárius Ltd.
- Garden Master Ltd.
- Martinek Farm limited partnership
- Gizella Pince Ltd.
- Kiss Ágnes, Self-employed
- Oláh Gyula, Self-employed in primary producer



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- Mile-Pércsi Zsanett, Self-employed in primary producer



### 3. Best practices related to entrepreneurship in the agri-food sector

This section is focused on the collection of existing best practices in each partner country. It identifies the innovative aspects such as globalization, technological progress or eco-agriculture among others, considering how the rural sector is affected and it assess the success cases, developed with the key aspects of each experience, and performance of a comparative and transferability analysis of them.

#### a. in Flanders

Most significant best practices in Flanders for the agri-food sector are:

- Flanders Food – Food Pilot: technical support of SMEs in agro-food in developing new products and professionalize the processes (efficiency, safety, HACCP,...)
- Filière AD-T (Agroalimentaire durable); cross border project that supports a sustainable food value chain in all aspects in the region of North France, West-Flanders and Hainaut.
- SDF is an initiative of companies active in innovative precision farming -and livestock breeding with as main objectives: deploy economic potential and enhance the competitiveness of enterprises active in Flanders via collaboration initiatives in the agri-food sector; contribute with solutions to the societal/agricultural challenges with a direct economical added value for Flemish SMEs; stimulate open innovation, capacity building, and international opportunities within the smart farming ecosystem.

#### b. in Romania

Most significant best practices in Romania for the agri-food sector are:

- Sprijinul tinerilor fermieri din Județul Arad. Website: [www.cjarad.ro](http://www.cjarad.ro)  
Objective: Stimulating economic regeneration. Due to the young rural entrepreneurs beyond the area of the former socialist economy Romania's



social structure remained more places more or less unaltered. The main farms engaged in farming on a small scale not only survived, but have been consolidated as a viable economic structure along of long decades of national administration bad food and lack of communism. To solve these complex problems rural strategy Arad County Council was that stimulate economic regeneration rural areas through young entrepreneurs.

- Ocupare și inițiative antreprenoriale în mediul rural. Website: [tinerisomeri.cjcs.ro](http://tinerisomeri.cjcs.ro). The overall objective is to increase the employment rate and facilitating labor market integration of unemployed rural and people employed in subsistence agriculture in West, Central and South-West by providing integrated programs and innovative, promoting entrepreneurship and creating conditions for the development of profitable and sustainable business.
- Asociația GAL Podu Înalt Website: <http://www.galpoduinalt.ro/> has a territory that covers 14 communes: Albesti, Banca, Bogdanita, Bogdana, Bogdanesti, Al. Vlahuta, Costesti, Deleni, Lower Muntenia, Lipovat, Rosiesti, Viisoara, Vutcani and Zorleni. In the period 2012-2015, 61 projects were implemented, worth over 2 million euros.

### **c. in Greece**

Most significant best practices in Greece for the agri-food sector are:

- Proclamations: the Government organizes Invitations for working under a fixed-term contract or a temporary contract with a predetermined duration in order to employ more people in agri-food sector.
- Land at Auction and Land Rent: the Ministry of Agricultural Development announces "Land at Auction" and Land Rents to give motivation to people and especially to young people to start their own business.

In Greece, small private enterprises owned by women and the women's cooperatives are almost the only forms of women's enterprises in rural areas.



Women cooperatives were created by a top-down process and despite the problems they confront, they are a recognized form of female entrepreneurship and some of them are proven to be good practices. The simplification of the bureaucratic process for setting up an enterprise, the creation of alternative financing tools and the improvement of the ways of dissemination of information to women are some important policy issues. The cooperatives can add value to the local agricultural products as well as maintain and highlight elements of the cultural identity of the area, elements which are also wealth sources for the region and the households. Moreover, they can support the social fabric and cohesion in rural communities. As a form of entrepreneurship, they provide the labour flexibility which women seek especially in areas such as the rural ones that lag in care structures for small children and the elderly and they provide an employment outlet in a place where the labour market is usually extremely weak. The traditional cooperatives are facing new challenges, because of the recent global financial crisis, the industrialization of agricultural production and globalization. The new challenges require new organizational forms of cooperatives, similar to those developed in other countries.

#### *d. in Italy*

Social Agriculture has a big impact on the territory. The best practice are:

- The "Start-Up Social Agricultural Enterprise MARAMAO" project began in 2014 from an idea of "CRESCERE INSIEME COOPERATIVE" (Grow up Together). The land on which the "MARAMAO" vegetables are cultivated are owned by private people who have rented low-cost or agreed the free loan of land between Canelli and Calamandrana territories, sharing the cooperative aim to give birth to a social agricultural enterprise that cultivates organic products, involving some of the applicants for asylum and international protection of guests SPRAR (Sistema di protezione per richiedenti asilo e rifugiati – Protection System for Refugee and Asylum Seeker) projects of the province of Alessandria, of which the town of Canelli and Calamandrana are among the signatories. [www.maramao-bio.it](http://www.maramao-bio.it)



In addition, “MARAMAO” has - among others - the following objectives (by placing them as social objectives of its statutes):

- to design, develop, execute and manage the work of the hydraulic-forest placing, works of forestation and preservation of the soil in good conditions, avoiding the abandoning of the soil, prevention , and soil
  - provide production assistance for the implementation of appropriate cultivation techniques to obtain the improvement of the quality and characteristics of agricultural production
  - participate in agricultural experimentation in each level and degree
  - carry out reclamation works
  - carry out activities to enhance local products and rural and forest heritage
  - carry out educational activities, training and education
- “APS Cambalache” is an association of social promotion founded in 2011 by a group of young professionals from different backgrounds including human rights, social services, migration and development cooperation. Its mission is to promote the social integration of vulnerable groups; active citizenship; sustainable development, with a special focus on the environment, local culture and traditions; public health; social and economic rights of marginal groups and society as a whole. The Association’s vision is to work to promote world culture, mutual respect and social integration. APS Cambalache activities are carried out by young professionals and volunteers. From January 2012 and until the end of February 2013, APS Cambalache engaged in a "Project of Refugees Asylum Welcome Asylum / International Protection", financed by the Italian Ministry of the Interior as part of the Emergency North Africa Programme. The “Bee My Job” initiative was inaugurated on October 1st 2015. It is a programme of social and urban beekeeping initiated by the “APS Cambalache”, with the intent to professionally train asylum seekers and refugees and enable them to enter the world of work. The project was initiated and is supported by the





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Foundation Social and a combination of thirteen partners, including government agencies and the local private social and nationally important beekeeping associations. In its first year of activity, Bee My Job has already formed 18 "new beekeepers" and placed four asylum seekers and refugees in beekeeping companies, with incentive measures taking for employers such as tax reduction for new employees. "Raising bees in urban contexts is a progression of culture, environmental awareness and environmental ethics - the organizers explain - If it involves vulnerable people, it also becomes an occasion of integration and dignity.  
<https://nellastessabarca.wordpress.com/category/bee-my-job/>

#### **e. in Finland**

In Finland there are no specific best practices but we can underline the best aspects of Finnish agri-food sector:

- quality systems for farms
- co-operation between companies/ joint purchases
- using benchmarking with small groups in education and guidance
- e-learning services
- online services
- new farming technologies are utilized very efficiently
- support for changing entrepreneurship from generation to another
- support for wellbeing at work

Finnish agri-food sector has very high quality surveillance chains within for example:

- life of a cow (or any other similar farm animal): all information that has been happening to this specified animal is listed in online service: amounts of milk produced, breeding, treatment (medicines given, especially antibiotics, vaccines), illness etc.



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- Temperature of milk from farm to dairy: using new "My Farm" – web-based program in most companies <https://minunmaatilani.fi>

### *f. in Spain*

There are multiple municipal, regional and national initiatives but few of them are focused on agri-food sector. In Aragon it must be highlighted:

- The Agri-food Entrepreneurship Program of Aragon promoted by the Aragonese Institute of Development (IAF). [https://www.emprenderenaragon.es/paginas/emprender\\_programa\\_emprendimiento\\_agroalimentario](https://www.emprenderenaragon.es/paginas/emprender_programa_emprendimiento_agroalimentario)
- All the initiatives within the framework of the Rural Development Programme.

### *g. in Hungary*

Most significant best practices in Hungary for the agri-food sector are:

- Pharmapolis Innovative Food Industry Cluster: This is the only one accredited cluster in food industry in Hungary settled in Debrecen (University of Debrecen). With the cooperation of the cluster a long term strategy has been elaborated in Hajdú-Bihar county in the field of education, research, innovation and agriculture fitting to the concept of the Government to establish national agricultural centres. The cluster was established in 2009, currently it has 8 members. Since its establishment they have good results in the market of organic and dairy products, and released new products on the market. The Cluster cooperates with firms in the field of agricultural industry, they have developed more than 100 products together, and it covers all area of the agri-food industry.
- GLULU: This undertaking produces and distributes gluten free baked goods. Founders are former university students, who started their business during their university years. They participated in a university course:



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“YesDebrecen”, a startupper and societal entrepreneurial training. The founders goal was to produce gluten free fresh, delicious bread and other baked food from sorghum flour for the several hundred thousand gluten sensitive people who lives in Hungary.

- iBolt: They sell innovative food. They products have been invented by researchers of the University of Debrecen, and their products contribute to keep people in health, prevent diseases or help in fast recovery.



#### 4. Main activities, tools (e-learning modules) and actors providing support and information to SMEs in the agri-food sector

The Status Quo description for each partners can give the framework for the agrifood sector. In general we can find a main actor like a Ministry or a Regional Authority and then other complementary actors.

##### *a. in Flanders*

Main actors: Flemish and provincial government, Chamber of Commerce VOKA and branch organisations Alimento and Flanders Food.

6 out of 7 interviews mentioned the province of West-Flanders as actors providing support. 4 mentioned the branch organization (Either Alimento for actors in agro-food or farmers organization Boerenbond for farmers).

Branch organisation Alimento is offering a number of online tools to SMEs in agro-food ([www.alimento.be/nl/tools](http://www.alimento.be/nl/tools)), such as

- A fly in the soup ([www.vliegindesoep.be](http://www.vliegindesoep.be)): this instrument gives a short and easy to use visual presentation on the hygiene rules which are to be followed in the agrifood sector. It is aimed at new employees and students in the sector.

Alimento offers a range of other tools and screening which are focussed on orientating youngsters to the agro-food sector and giving SMEs tools on recruiting, welcoming and competence-based development of employees in the company.

The main activities in the support are advised in sustainable production, professionalization in processing and segmentation and diversification of the offer.

##### *b. in Romania*

Main actor: The Ministry of Agriculture and Rural Development [www.madr.ro](http://www.madr.ro) has as a priority the elaboration and implementation of appropriate agri-food policies for Romanian citizens as consumers, farmers and processors to



support increased agro - food competitiveness and sustainable development of rural areas, safe food and protected environment. 2020/2030 (Strategy) aims at smart and sustainable valorization of agro - food potential and development of rural space. Romania will facilitate better integration of agri - food producers on the market and at the value chain. For small manufacturers, the emphasis will be on stimulating association and on improving access to credit for investment, while for big players it takes investment in upgrading to meet EU requirements as well as growth competitiveness on the international market.

Romania will focus on improving the fiscal framework in agriculture, with a view to reducing it the informal economy. Last but not least, Romania will facilitate the professionalization of farmers through more access good knowledge, education and advice to ensure labor market inclusion and support the development of research. However, in recent years there has been an increase in the share of young farm managers in Romania. In 2010, about 23% of farm managers were under 40 years of age, compared to only 17% in 2005. This is a positive trend for the agricultural structures in Romania, which is faced with a large aging population involved in agriculture, a few years ago unparalleled in the rest of the EU. Innovation aimed at transferring results (applied research) at the level farm. The increase in the share of farmers under the age of 40 was due to both demographic changes and incentives offered through the “young farmers” measure in the NRDP 2007-2013, which a accelerated transfer. In the future, it is important to continue encouraging the transfer of assets intergenerational farming, through incentives for young farmers, together with growth efforts level of knowledge, skills, skills and skill levels. Young people are a lot more receptive to the association, to the application of new technologies and to environmental protection issues.

Other actors providing support in the agri-food sector:

- Official site of the DG Agri <http://ec.europa.eu/agriculture/>
- Specialized publications or web site such as Farmer Magazine, Magazine harvest:



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- [www.agrointel.ro](http://www.agrointel.ro), [www.agroinfo.ro](http://www.agroinfo.ro), etc. [www.revista-ferma.ro](http://www.revista-ferma.ro)
- Official Sites of Agricultural Chambers and Chambers of Commerce

Example of e-learning modules: CFPDR. <http://www.cfpdr.eu/>

- Platforma Educationala a Facultatii de Horticultura - USAMVB  
<http://curs.horticultura-bucuresti.ro/>

### **c. in Greece**

Responsible for entrepreneurship in agri-food sector is the Ministry of Agricultural Development. The Ministry has developed some tools to raise awareness, and provide entrepreneurs with some information and guidance. Such tools are:

OPEKEPE: Public Entity, responsible to supervise and manage the subsidize by European Funds. Besides, informs associations via to its website for all the decisions, amount payables and criteria for selecting beneficiaries about agri-food sector.

ELGA: Local Interim Entity, which compensates farmers in case of missing their products due to bad weather conditions or natural disasters.

Website IRIS: A web canal, where associations of agri-food sector can get informed about the legislative framework, agriculture terminology, digital free-to-air services and new, all available to new entrepreneurs. Hotline number for

Farmers (1540): There is a specific number to call in order to get informed about agri-food sector issues.

### **d. in Italy**

The main actor for agriculture sector is the Regional Board of Agriculture where the Regional Development plan is developed. Then we can find 2 professional Associations for Agriculture and Rural Development that are a national level and local level. They are "Confagricoltura" and "Coldiretti".

Confagricoltura (General Confederation of Italian Agriculture) and Coldiretti (National federation of Italian farmers) are the representing organizations for



Italian agricultural enterprises. They promote the leading role of agricultural entrepreneurs in the establishment and development, both economic, technological and social, of Italian agriculture, agro-food and social agriculture. They are organized in national offices and local offices (regional, districts and cities).

### **e. in Finland**

These actors provide support and information to SMEs in the agri-food sector:

- Communal and city agricultural and entrepreneurial services: <http://www.kajaani.fi/en/services/businesses-and-entrepreneurship/agriculture-and-rural-development>
- Communal vacations substitute services / Farm relief: <http://www.mela.fi/en/farmers-holiday-and-stand-scheme>
- Leader and EU-funding
- ProAgria guidance association with local centers: <https://www.proagria.fi/en>
- ProAgria Finnish MTEch and Faba: <http://www.mtech.fi/fi>
- MTK The Central Union of Agricultural Producers and Forest Owners (MTK) [https://www.mtk.fi/en\\_GB/](https://www.mtk.fi/en_GB/)
- Luke <https://www.luke.fi/en/>
- Schools, vocational schools, universities of applied sciences, examples: <http://www.kao.fi/koulutusalat/luonnonvara-ala/seppala-oppimisymparistona-2/>, <http://portal.savonia.fi/amk/fi/tutustu-savoniaan/opiskelu-koulutusaloilla/luonnonvara-ala>
- University of Helsinki Ruralia centers [http://www.helsinki.fi/ruralia/index\\_eng.htm](http://www.helsinki.fi/ruralia/index_eng.htm)
- Organic Food Center of Finland <http://www.luomuliitto.fi/in-english/>
- Mela insurance company <http://www.mela.fi/en/pension-insurance>
- Tools / Education: KAO Seppala Vocational School has provided e-learning. Contact, Lecturer Riitta Törn-Säkkinen.



Support is needed mostly with economical issues. It is seen that the agri-food sector has very low profit, they lack knowledge about balancing economics and controlling financial issues. Investments are high and profit is low. Another issue is knowledge/skills about leadership and leading a company. Concrete support that is wanted is peer-to-peer support, mentoring and guidance. Digitalization brings new kind of tools and they want to have new tools that help at work flow.

### *f. in Spain*

The main actors are:

- At national level the Ministry of agriculture and fisheries, food and environment is the competent department within the scope of the General Administration of the State for the proposal and execution of the policy of the Government on various subjects including the rural development, agricultural, livestock and fishery resources as well as in the food industry (<http://www.mapama.gob.es/en/>).
- At the regional level the Department of Rural development and sustainability (<http://www.aragon.es/DepartamentosOrganismosPublicos/Departamentos/DesarrolloRuralSostenibilidad>).

There are many options offered mainly by private companies financed with public funds, but it is difficult to find training on specific subjects in the sector, they tend to be generic (marketing, internationalisation, logistics, medium (environment, business skills, management administration, handling of plant protection, etc.).

There are platforms both in the public sector and the private training, OCAS (Regional Office of Agro-environmental) trade unions as ASAJA, UAGA

### *g. in Hungary*





- Hungarian Chamber of Agriculture – Hajdú-Bihar county: They operate a special advisory network settled in Debrecen, but they go to small settlements where people can raise their questions in consulting hours, send periodical newsletter, notice SMEs when a change occurs in the legal regulation, organize forums, information days about new tenders.
- New tool for agri-food SMEs: H2020 project supports SMEs with e-learning training, smart tools in order to increase the innovation and cooperation potential of them at regional, national and international level.
- Agrotechfood Ltd. – They help SMEs to access foreign markets. They play an important role in the mentoring of the selected portfolio companies, and in the process of incubation in determining whether the projects are on the designated track and comply with the expected milestones. They do not support the development of the incubated enterprises only by their knowledge and experiences, but also by their specific resources and international relations. Together with their organizations the incubated enterprises are enabled to apply directly for knowledge transfer resources directly from Brussels, R+D and international cooperation projects as partners of a consortium, thereby creating an alternative source of revenue and an international take-off point for the incubated enterprises.
- Supporting agencies: In Hajdú-Bihar county the Innovation and Energy Agency can support agri-food SMEs with counselling activities, can write proposal for them.
- University of Debrecen –The University of Debrecen, as a leading and prominent institution of Hungarian higher education and in line with the spirit of the Magna Charta of European Universities, is dedicated to developing and improving universal scholarship and Hungarian society by providing high-quality, versatile and interdisciplinary educational as well as research and development programs. Such a mission is pursued jointly by the faculty, staff, and students of the university committed to high quality and in



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cooperation with Hungarian and international partners. As a result the university is renowned internationally as a prestigious educational and scholarly research and development institution in the fields of agricultural sciences, arts and humanities, health sciences, law, economics, engineering, educational sciences, medicine, social sciences, natural sciences and music; is becoming a leading intellectual center in Eastern Hungary striving to increase its efficiency, flexibility, and responsiveness, emphasizing dynamic development and the rationalization of management in close cooperation with the neighboring regions of surrounding countries; aims to train highly professional people in consideration of European trends and needs of society by extending tertiary education, the development and implementation of multi-tier programs (bachelor's, master's, and PhD programs), the diversity of postgraduate programs, continuous further education, taking advantage of the opportunities offered by distance learning and the need for life-long learning as well; facilitates collaboration between the private sector, the business sphere, the local and state government in regional and cross-border educational, research and development programs as a research university and a key actor in economic development.

- Institutes for Agricultural Research and Educational Farm (IAREF) –The Institutes for Agricultural Research and Educational Farm (IAREF) works within the organizational framework of the University of Debrecen. According to the Financial Management Regulation it is an organisational unit with the authority of management. The University of Debrecen plays an outstanding role in national and regional research and education, as well. It is the only research university in Hungary with both agricultural higher education and agricultural research institutes. Therefore, the university has a unique opportunity to implement agricultural research and the related innovations. IAREF has three organizational units: the Debrecen Educational Farm and Regional Research Institute, the Research Institute of Karcag and the Research Institute of Nyíregyháza. All three research institutes have a long



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tradition. When they were established as regional research institutes, their mission was to serve research, innovation, education, practical training and the agricultural extension to meet local social expectations and demands. It serves as a knowledge center by offering knowledge-based research, development and innovation to the highest possible degree available in that era. Currently our main purpose is the same: to provide sustainable social development with system-oriented research.



## 5. Main problems and opportunities for SMEs

This section is an interesting analysis of the territorial problems.

In general, it is possible to find common problems in the partnership even if each territorial situation is different from the other:

- lack of innovation and entrepreneurship attitude
- aging of population and depopulation in rural areas
- difficulties in attracting young people due to the high costs for initial investments
- family SMEs, without employees
- environmental challenges (climate change, pollution, abandoned areas)
- lack of information about any existent support for agri-food SMEs
- difficulties in gain the market with success and big gap between the farmers/SMEs and the market.

### *a. in Flanders*

#### Main problems

- “traditional”: too little farmers and SMEs in agro-food sector innovate and diversify. What they did 30 years ago, they still do. They often have lack of entrepreneurship.
- Price competition; wholesale and retail are better organized and many farmers are victim of unfair, systematic price competition or price pressure at the bottom of the value chain.
- Quality labels and standards set by retailers.



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- Attracting workers and employees to the branch. Agro-food sector as a growing sector in Flanders with high potential but scarce skills are a problem as few young people are attracted to the sector.

#### Main opportunities

- Be more flexible in your activities and diversify the offer. Diversification and a way of distinguishing yourself from competition and a necessity for many farmers and SMEs in agro-food.
- International/export: many SMEs miss out on potential growth as they stay local while their USP have international possibilities but lack of entrepreneurship and market orientation and market knowledge hamper international growth.
- Diversity from industry: emphasis that fairtrade is not solely for products from developing countries but as well local.

#### ***b. in Romania***

Three major challenges seem to mark Romania's rural areas and tangentially influences and local entrepreneurship. The first is employment opportunities in decrease in the primary sector (particularly in agriculture), as a result of a change Structural (migration, financial crisis etc), enhanced legislative changes too fast to be caught up by the rural population. Are the following need to address stimulate economic activity in accordance with the employment potential of rural areas. The second challenge is accelerated aging of the population, combined with youth emigration and immigration of people of retirement age, again partly a phenomenon affecting the supply of potential social entrepreneurs.

Finally, there is the difficulty of maintaining a critical mass of facilities to support economic development. However in compensation to some opportunities that possibility development of diversified agricultural industry and rural tourism increasingly popular, complete development of technology that allows



addressing potential areas of outskirts of rural areas, which can overcome the effects of the barrier of distance and access new and attractive spaces for tourists. Other positive attributes include the ability adaptation of small businesses in rural areas that can more easily overcome external environmental constraints, to address the dimensions of traditions, connecting with nature and specific rural culture.

### **c. in Greece**

The main problems of the agri-food sector in Greece are:

- Internal Goods have low competitiveness
- Many SMEs remain as small as conservative family businesses
- High level cost for investing in mechanical equipment
- There is a weakness in adapting to new product's productions – obsession in cultivating conservative/traditional products.
- Weakness to promote and define the right canals to sell the products.

### **d. in Italy**

Main problems:

- nitrate pollution impacts significantly on natural resources
- waters are also under stress by the use of pesticides and the extraction of water for agricultural use
- one fifth of agricultural areas is also concerned by soil loss, due to water erosion
- no specific programmes about the climatic change and the impact on agriculture
- abandoned or under-used areas in marginal territories have impacts on the soil slips, natural hazards and fires



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- high level of competition with fake production of local niche products
- lack of financial support to help in cash flow sustainability
- SMEs too small and without employers
- lack of integration tradition and innovation.

Main opportunities:

- SMEs are very rooted in the territory and local tradition,
- terroir as a unique element and patrimony of our region (terroir is the set of all environmental factors that affect a crop's phenotype, including unique environment contexts, farming practices and a crop's specific growth habitat. Collectively, these contextual characteristics are said to have a character; terroir also refers to this character.

**e. in Finland**

Main problems:

*(cit.) "Big farms with robotic systems have good programs with control system to whole farm. It has still faults and information does not go from one program to another software. This is a problem in everyday work."*

*(cit.) "Young entrepreneurs have good digital skills and equipment. They want to have new digital tools and applications that help them in everyday work. It is at the moment too complicated, too many applications, too many software just for PC – paper and pen is needed and the same thing could be done by one smart phone photo".*

- Profitability and economics – big debts and investments needed in order to have profitable farms
- Too big work load
- Constant learning – technology, changes in reporting and funding
- Dependency of EU Funding



- Bureaucracy and surveillance related to EU funding (risks, emotional load/burden)
- Wellbeing at work
- Loneliness at work / long distances in Finland, no family or network nearby
- Production crises or threats: weather in Finland, new animal diseases

### *f. in Spain*

- In Spain agri-food industry is characterized by large consumer of raw materials, but with little added value generation, which has its consequences in a lower percentage of gross margin business. It also has a little dimension of their companies, a still improvable training in many of their Executive boxes and a weak collective organization.
- Many projects related to the agri-food sector are very “idealistic”, away from the commercial reality of the sector. Programs of mentoring with the sector experienced entrepreneurs, get properly reorienting these projects.
- Support for developing and specific orientation of the project.
- Low prices between producers and traders or intermediaries with very high investments.
- The main challenge is to remain competitive and the size of firms is one factor that conditions them to any action: internationalization, promotion of brand, innovation, scanning, etc.
- The challenges of SME and agri-food entrepreneurs is trying to remove the outside compliance with health standards from each destination making the product attractive to the end customer. Considering that each destination has its peculiarities.

### *g. in Hungary*





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Main problems: SMEs do not know about new business opportunities and how can they adapt to the market and its change. Some of them also do not know how a business plan structured. They also do not know how can they enter international markets or they do not want to. Most SMEs cannot estimate the effects of any kind of changes, especially financial changes.

In Hajdú-Bihar county SMEs are mainly small enterprises and most of them do not speak languages, therefore they cannot make a bid on their own at international level, in addition application process usually too complicated for them.



## 6. Recommendations and suggestions for supporting and promoting entrepreneurship in agri-food sector

The last section is dedicated to the collection of the suggestion for a best support of the agri-food sector.

We can sum up briefly:

- help and support SMEs in go beyond the obstacles to reach the market
- promote the participation at info days, seminars, workshops, e-learning in order to have information and knowledge transfer about environment, quality, cash flow...
- improve the use of digital tools

### *a. in Flanders*

- Make sure that there no barriers on knowledge and be practical (eg. legislation, receipts, HACCP,...)
- Better support of SMEs in agro-food on segmentation and niche and launch/bring their products to the market. Better advice in the choice of distribution channels which they use. Be practical and pragmatical in the way the support is organized.
- Starter should informed him/herself before starting up business and have the necessary certificates.
- Get "Mission" right before the start and make sure the company is organized as such in order to reach the mission while being agile to the market needs and requirements.
- Unknown is not loved. Storytelling should be incorporated in advice and training as a method to diversity (USP).
- Emphasise the importance of local economies.
- Speed dating with buyers. Also for start-ups there should be more support on bringing them in contact with interesting potential buyers.



- How to make your company certified on hygiene and environment as cheap and quick as possible
- Entrepreneurs in agro-food have to be more professional and in other branches. They need to be technically trained on quality, product development, production on scale, durability of products,... as well as on how to organize and grow their business (investments, market, ROI,...). Special attention should be paid to the importance of promotion and communication.

### ***b. in Romania***

At national level, integrated approach to public policy support and encouraging entrepreneurship are needed multidisciplinary integrated structure formal university curriculum, practical component and keeping in touch with environment business (relevant professional or experienced entrepreneurs). Involvement business environment in entrepreneurship education (awareness campaigns, projects, collaboration with NGOs) to reach European levels of entrepreneurship. Equally necessary investment in future generations by creating a early entrepreneurial education structures: the creation of curricula in schools that it envisages the development of entrepreneurial skills that are prerequisites: creating a own vision, creativity, perseverance, leadership, risk taking feels increasingly acute need in Romania to integrate entrepreneurship into a long-term national strategy for education and by supporting the development and entry of venture capital in Romania, especially the seed, early-stage and Venture Capital including tax relief on money invested in this way in Romania.

Subsequently, beyond the measures linked to public policies, legal systems and principles it is essential to spread good economic and real understanding of entrepreneurship rural agent of positive social change, intended to provide welfare, sustainability and innovation.



Efforts need to be made to modernize rural education, particularly in rural areas primary and secondary levels, as well as for increasing the attractiveness of vocational education and training technically, alongside adult continuing education and training. Educational Infrastructure should be improved alongside rural infrastructure. Attraction in the environment should be considered rural background of qualified teachers. Vocational training needs to be improved and based on Qualifications described in partnership with agricultural employers and sectoral committees (both for initial vocational training as well as for the continuous training of adults). Competence training Entrepreneurship of future farmers is also important. Higher education in the agro-food sector plays a double role: it provides teachers and lecturers for the two levels and provides graduates with high skills to agriculture and rural development.

### **c. in Greece**

- Better information. There is a lack of dissemination activities of best practice and lack of awareness for new opportunities that arise. So, there is a need for more Workshops, Seminars and Information Platforms to be done.
- Flexibility of Workers. We need to enhance the flexibility of SME to focus into new products/markets or to redefine the place of establishment the enterprise (base of operations), in order to adapt into new global/national demands of the market. Support SMEs to go for further Horizontal & Vertical Development.
- Forward Green Development. Focus on productivity development in parallel to a sustainable growth.
- Raise of Competition. Greece has a high level in imported goods, which tend to be cheaper than local, because of their low production cost. So, national products gain little popularity and low demand by consumers, so in national as in international level. For this reason there is urge for a new policy reform



regarding to control the influx of imported goods and to create new opportunities and canals to promote/sell Greek products.

#### *d. in Italy*

- A major challenge in terms of competitiveness of agriculture faced by the Piemonte is represented by the pursuit of a higher degree of efficiency either through increasing farm size or through cooperation between farms, the diversification of the production with also other economic activities;
- Reversing the trend of marginalisation of mountain areas, including the digital divide;
- Knowledge transfer and innovation in agriculture, forestry and rural areas: promoting networks and partnerships between companies and actors in the system of knowledge, adaptation and strengthening networks of advice and information to businesses, qualify professionals;
- Competitiveness of agri sector and sustainable forestry: farm and business development (supporting establishment of young farmers and diversification into non-agricultural activities, such as rural tourism and production of renewable energy), cooperation projects in social agriculture and forestry, forestry technologies and in processing of forest products;
- Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture: promotion of quality products and the participation of farmers in quality schemes, as well as investments in the processing and marketing of agricultural products, development of short supply chains and local markets, focusing on innovative projects and those that contribute to the reduction of impacts on the environment and climate, prevent and repair damage caused by natural disasters, investments for the prevention of damage caused by vine's flavescence dorée and other serious biotic adversities;



- Restoring, preserving and enhancing ecosystems related to agriculture and forestry: investments in agriculture and forestry as well as actions supporting biodiversity in Natura 2000 areas and other areas of high natural value, support of organic farming and the payments to farmers in mountain areas to avoid the risk of land abandonment;
- Resource efficiency and climate: investments in animal husbandry to reduce emissions of GHG and ammonia; investments for improving the efficiency of irrigation systems (on around 1% of the irrigated land); forestation of agricultural and non-agricultural land; agro-environment-climate contracts regarding the conversion of arable land into permanent grassland, crop diversification to overcome the maize monoculture and distribution of manure so as to reduce emissions; support to groups operating in the European Innovation Partnership, to supply chain cooperation actions for a sustainable supply of forest biomass used for energy, production and for industrial processes.
- Social inclusion and local development in rural areas: basic services in rural areas (first of all, concerning ultra-broadband infrastructure to cover the rural population) and support for local development strategies (LEADER).

#### ***e. in Finland***

- Utilizing digitalization. Making better software and applications that suit the needs.
- Sensitivity to changes in peoples's consumption changes
- Agri-food sector as part of bioeconomy, self-sufficient energy etc. Due to bigger companies / farms.
- *(cit.) "Education should be forced, no funding should be if not education. In family farmes people live according old tradition and father is teaching the son to run the farm. This is not enough nowadays, cultural change is needed. Young people have to get "out of farm" to learn new things in order*



*to get company to new level! There is a need for a broader future sight and young people need up-to-date education that helps them to grow profitable business.”*

- *(cit.)“You have to be up-to-date and follow the development both technology and other issues. We have a lot of obligations, everything is depending on funding: reporting has to be on time in order to survive in this business.”*

### **f. in Spain**

Financial resources to undertake concrete targets but budgets are scattered and spend on performances of the different administrations with little vision, little ambition, and limited capacity of the sector decision to select and decide the true priorities. We should join forces.

Digital platform of a general nature which disseminate knowledge of how can lead to the creation and development of projects, allowing interact to agro-alimentary companies being able to cooperate and develop joint projects.

Financial support: when the institutions and administrations want to carry out activities to promote the sector have, their companies and their business associations more actively.

Lowering the procedures administrative/bureaucratic and guide the entrepreneur to the processing and marketing of its own products.

Reconcile environmental and animal welfare with production demands (promoting investment)

Support and technical and when a project is implemented training and knowledge that allow to grow.

Sustainability of the sector: not to rely on subsidies and State aid with fairer prices.

Lowering the age of retirement or loans at low interest.



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### ***h. in Hungary***

In Hungary one of the main problems at agri-food business is lack of capital, therefore the firms hardly get loans from banks. Another issue is the very long and complicated administration. Many entrepreneurs are not well educated, they just start a business from a grant and they haven't got adequate knowledge about how to run a business. As a consequence of the above mentioned facts more than 50% of new agri-food undertakings are ceased after the 4th year. The solution could be a special training or course which is easily available for them, where they can learn about running a business in a nutshell. The other issue to simplify the administration burdens.





## 7. Conclusions

Agriculture continues to play an important role in rural areas, and in some regions it also contributes to economic growth. Small and medium-sized companies are certainly of even greater relevance, but many of them are again closely linked with agriculture in both upstream and downstream processes. Rural areas are facing major challenges today which arise mainly from globalisation, demographic change and the rural migration of young, well-trained people. Policies for rural areas aim to contribute to recognising and making use of strengths and opportunities.

Employment in the primary sector is an important factor in the economic development of rural regions with significant agricultural potential, as well as in less developed rural regions. In developed regions with agricultural potential, agricultural modernization and economic diversification are more important. In tourism-oriented areas environmental protection is a priority, given that this is their most important resource. Organic farming appears to be a viable alternative in disadvantaged rural areas. The restructuring of the agricultural sector and the encouragement of diversification and innovation in rural areas are crucial and the new policies address these needs. Developing new methods of cultivation to increase investment, adjusting to high quality standards, modernizing promotional / marketing activities of agricultural products and encouraging people to continue agricultural activities are stipulated in the National Rural development Program as practical approaches to achieve objectives.

### **What is missing in stakeholders involvement for the agri-food sector?**

In general, stakeholders are aware of the importance of the agri-food sector both for the territory both for the local development (economy and culture). The difficulties are represented by the lack of active involvement of the right stakeholders.



In particular, in Belgium, there is an overall lack of management support for start-ups and sme's in the agri-food sector. The existing management programmes are mainly targeting the international agro-food companies. This lack of support is due to the following factors:

- Big diversity of companies in the sector (broad range of foods and processes)
- Lack of management expertise/consultancy in the sector
- Branches focus on production, processes and regulation

In Hungary the lack of the capital is the typical problem. Nowadays only few entrepreneurs can invest in the newest and the most productive technology in the agri-food sector. In this way most of the agri-food companies couldn't be competitive in the market. The stakeholders need more capital to invest in the latest technology in the agri-food sector.

In Italy, the boost to technology, product and process innovation, especially in terms of production specialisation and the creation of chains and districts, emerges as a priority area for the agri-food sector. The promotion of the innovation goes hand in hand with the development of companies' managerial and entrepreneurial skills as a factor that favours the choice and proper management of investments.

### **What is missing in the promotion of entrepreneurship in agri-food sector?**

In Europe, agri-food is the second largest manufacturing industry, accounting for 14.5% of total manufacturing turnover (€ 917 billion) and 14% of employment (over 4.8 million workers) (European Commission, 2015). However, several weaknesses hinder the profitability of the European agri-food industry, such as extreme fragmentation (around 283,000 small and medium enterprises) (FoodDrink Europe, 2014); companies' low capitalization and marginal innovation, research and development; and ICT rates (European Commission, 2009). All of this contributes to some of the lowest labor



productivity and smallest revenue rates across all industrial sectors (European Commission, 2009).

Indeed, developing entrepreneurship in the agri-food industry may be key for both public and private bodies. As for the former, via entrepreneurship, the public sector can ensure food security and safety for citizens, target young and marginalized people, and thereby generate employment opportunities and boost national socioeconomic development. As for the latter, developing entrepreneurship can transform global food challenges (e.g., health, safety, sustainability, animal welfare, ethics, cultural differences) into profitable opportunities to be exploited locally by the private sector's actors.

In Hungary, the missing values in agri-food sector are the lack of the knowledge of the market and the willingness to take and accept risks.

In Finland, entrepreneurship is held in high esteem, and even the curricula of the school system include education in entrepreneurship. Finland has more than 350,000 enterprises, of which 20% are involved with agriculture, forestry or the fishing industry. The Finnish Rural Development Programme provides strong support for entrepreneurs in rural areas, irrespective of their line of business. Plenty of scope for enterprise in rural areas, the Finnish countryside is regarded as an excellent environment for innovative entrepreneurs. In Finland, farm structures have changed quickly during the EU period, and the number of farms has fallen by 41 per cent in the period 1995–2014. The size of agricultural basic production companies is increasing, and the number of other multi-sectoral small companies is increasing. Price volatility in the market of agricultural products has increased significantly.

In Belgium, promotion of entrepreneurship is generally missing in the agro-food sector. There are few new start-ups in the sector. Most of the business owners are 3<sup>rd</sup> and 2<sup>nd</sup> generation in the family business. Education and training in basic management skills for the agro-food sme's is lacking.



In Italy, the promotion is quite diffused but there is no coordination among different regions and different local authorities in charge of the agri food sector. There is lack of long term programming vision. On the other hand, new entrepreneurs are not well informed on risks and income: usually young entrepreneurs are involved in big investment without any concrete business plans. The agrifood sector is well promoted but not in realistic terms.

### **What is missing in the national law to make winning the agri-food sector?**

In Belgium, a business in agro-food has to join the mainstream projects and programmes in business support. But it is no support of basic or advanced management skills for business owners in the agro-food sector.

In Hungary, the national law to make winning agri-food sector is appropriate in Hungary. The European food safety rules are strict and in some cases it makes more difficult the operation of agri-food companies.

In Italy, there is a national level that is the very general framework. Each region is in charge of the sectoral law: each of them is referred to a specific territory and it fits very well to local situation but there is the lack of a supervision eye.

In Finland there is a good law:

- Agricultural entrepreneurs Funding is allocated to agricultural entrepreneurs as compensation for farming in Finland's northern conditions and for environmental work in agriculture. Environmental compensation provides significant opportunities for promoting environmental issues not only on farms but also in a wider context. The programme includes the provision of advice and training that contributes to increased understanding regarding energy efficiency, environmental issues and animal welfare. Farms may also receive subsidies for various investments aimed at increasing their competitiveness and enhancing the environmentally friendly aspect of their operations.



- Enterprises in rural areas: small and medium-sized enterprises in rural areas play an important role in providing employment, with the Rural Development Programme aiding them in starting, diversifying and growing their business operations. Enterprises receive subsidies for various purposes including product development, marketing, testing of new concepts, globalisation and collaboration. The programme aims to create practical conditions for bioeconomy in which the process of putting research and existing knowledge to good use is of major importance.

### What is the best practice recommended for a possible replication?

In Belgium:

Flanders Food is a triple helix between the Flemish, international companies, sector branch organisations, public organisations and universities and high schools to boost innovation and competitiveness of the sector on a global scale. Innovative production techniques and products are co-developed through the partnership. It is a best practice of public-private partnership in scientific research and innovation.

In Italy:

Social Agriculture has a big impact on the territory. The best practice is represented by the "Start-Up Social Agricultural Enterprise MARAMAO" project began in 2014 from an idea of "CRESCERE INSIEME COOPERATIVE" (Grow up Together). The land on which the "MARAMAO" vegetables are cultivated are owned by private people who have rented low-cost or agreed the free loan of land between Canelli and Calamandrana territories, sharing the cooperative aim to give birth to a social agricultural enterprise that cultivates organic products, involving some of the applicants for asylum and international protection of guests SPRAR (Sistema di protezione per richiedenti asilo e rifugiati – Protection System for Refugee and Asylum Seeker) projects of the province of



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Alessandria, of which the town of Canelli and Calamandrana are among the signatories.

In Finland:

Finnish agri-food sector has very high quality surveillance chains and support system for changing entrepreneurship from generation to another.

The Rural Development Programme benefits farmers, enterprises and residents in rural areas as well as the environment as a whole. The network of operators working within the scope of the programme also includes various educational institutions, development organisations, municipalities and local Leader action groups. For the Finnish food chain, competitiveness is the prerequisite for maintaining and developing the activities in the long term. Competitiveness is a relative concept, given significance only when the performance is compared to that of the competitors. Several concepts and key figures exist for measuring competitiveness. The best known is probably productivity, i.e. the ratio of production inputs and outputs. A country, sector, or company is competitive when it can produce something more efficiently than others. In other words, its productivity – its total factor productivity (TFP) including all production inputs in particular – is better than that of the competitors. However, productivity is not the whole truth, a better ratio can be achieved by constantly tightening the belt and reducing the outputs, in which case improved productivity may, in fact, lead to a declining position in the market.

The most distinctive sign of genuine competitiveness is growth. As in all other sectors, companies also compete in the food market for popularity among consumers. Actors that increase their outputs and sales revenues and accomplish larger and larger market shares are genuinely more competitive than others. This means that cost efficient production processes and productivity are only a prerequisite. The real indicator of competitiveness, growth, requires skillful marketing and sales operations. Real competitiveness is



manifested in your ability to convince consumers that your product is the best choice."

The cornerstone of the competitiveness of the Finnish food chain is internationalisation. The industry and retail trade have both been focusing too much on the domestic market, treating their understanding of Finnish consumers' way of thinking and behaviour as their best, if not the only, expert skill. The total turnover of the sector has not increased because the domestic market is saturated and companies can only take turns in taking over each other's market shares.

The only way to generate genuine growth, however, is through internationalisation. For the industry, this primarily means exports, and for the retail trade, it means foreign direct investments (FDI). Success in both requires a deep understanding of the target markets and the local consumers. Finnish food exports lack the strong tradition of the competing countries, which means that considerable investments are required to establish the infrastructure and traditions for exports."

Finnish food enterprises also need young sales and marketing professionals with the appropriate language skills who are prepared to make bold and unconventional moves to open up new export markets. Society and businesses must offer young people training programmes and professional challenges."

#### In Hungary:

The case of the FreeFrom Hungary Ltd. is recommended to be one of the best practices from Hungary. More and more people are affected by food allergies as gluten sensitivity. The founders recognize the need and after they meet the need that there aren't any delicious gluten free product on the Hungarian market. The founders goal was to produce gluten free fresh, delicious bread and other baked food from sorghum flour for the several hundred thousand gluten sensitive people who lives in Hungary. They participated in a university



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course: "YesDebrecen", a startupper and societal entrepreneurial training and they won it. They started their business during their university years.