

# SME ORGANICS

## Action Plan for Navarre Region (Spain)

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## I. General information

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| <b>Project</b>  | SME ORGANICS   |
| <b>Partner organisation</b>                               | <b>Department of Rural Development Environment and Local Administration of the Government of Navarre</b> |
| <b>Other partner organisations involved (if relevant)</b> | <b>INTIA – Institute for Agri-food Technology and infrastructure of Navarre</b>                          |
| <b>Country</b>  | <b>SPAIN</b>   |
| <b>NUTS2 region</b>                                       | <b>ES22 Comunidad Foral de Navarra</b>   |
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The present Regional Organic Action Plan for Navarre has been developed in the context of the INTERREG EUROPE programme, as the main output of the “SME Organics” project. In addition to Navarre, 6 European regions and the Aargau Canton of Switzerland have participated in the project: Western France (New Aquitaine); South Italy (Puglia), North West Romania (Transylvania); Poland (Lodzkie); South West Finland (Seinajoki); Switzerland (Aargau); Northern Italy (Lombardy).

Navarre has participated with three project partners: INTIA (Institute for Agri-food Technology and Infrastructures of Navarre), as Leader Partner, the Department of Rural Development, Environment and Local Administration of the Navarre Government, as project partner; and SODENA (Regional Development Agency of Navarre) as project partner in the first stages of the project.

Navarre region is in the north of Spain and covers an area of 10,391.08 km<sup>2</sup>. It has a population of 640,339 inhabitants (61 inhabitants per km<sup>2</sup>). Food and farming area is 545,520 ha: 224,690 hectares of grassland (41.19%); 287,720 ha of arable land (52.75%); 33,060 ha of permanent crops (6.06%). Livestock is shared by extensive livestock (42.09%), mixed farms adapted to the environment, and intensive livestock (57.91%). Navarre has a strong agri-food industry: meat industry, bakery, fruits and vegetables and drinks (juices, wine and olive oil). The organic agricultural area in Navarre is approximately 9%, which is similar to the average in Spain (10%) and shows a high diversity of organic crops and products, as well as farming and agri-food structures: from big agri-food companies exporting at international level to family-sized companies transforming their own production and selling 100% through short food supply chains.

Stakeholders across the whole value chain, such as producers, processors, traders, retailers, consumers’ associations, advising services and universities have participated in the project and have proven to be key actors for drawing the Action Plan and for anchoring in the region the resulting Action Plan. Knowledge and experience about the production and processing, commercialization and marketing, training and advice and organic value chain and governance have been gathered and exchanged through interviews and workshops at the regional level. The development of the Regional Organic Action Plan of Navarre has also heavily relied on the interregional learning process implemented in SME Organics, which has been based in turn on a thorough regional diagnosis that has allowed identifying the existing support measures, methods and programmes as well as the needs of SMEs. Based on the above, the Regional Action Plan has the following 4 priority lines:

- I. Improve the competitiveness of organic primary sector
- II. Promote the development of organic production agro-industry
- III. Improve consumer confidence in organic production and encourage its consumption of organic products
- IV. Promote the structuring of the organic sector

## II. Policy context

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| <b>The Action Plan aims to impact:</b>         | <p>X <b>Investment for Growth and Jobs programme</b></p> <p>€ European Territorial Cooperation programme</p> <p>€ Other regional development policy instrument</p> |
| <b>Name of the policy instrument addressed</b> | Regional Operational Programme ERDF 2014-2020 Navarra (CCI 2014ES16RFOP020)  |

The ERDF Operational Programme of Navarre 2014-2020 aims to promote the development of the knowledge society promoting economic and sustainable development of the region by contributing to the creation of jobs, especially in activities with higher added-value. In the definition of the strategy the complementarity with other Operational Programmes of application in Navarre was taken into consideration, both at the regional level (Operational Programme ESF 2014-2020 and Rural Development Programme EAFRD 2014-2020) and at pluri-regional level (Operational Programme of Smart Growth, Operational Programme for Sustainable Growth and Operational Programme of the SME Initiative -ERDF-, Operational Programme for Youth Employment, Operational Program for the Promotion of Social Inclusion, Operational Programme for Employment, Training and Education -ESF- and Operational Programme for Fisheries- EMFF-).

Within the ERDF Operational Programme of Navarre 2014-2020, the SME Organics project has specifically targeted Priority Axis 3, "Improving the competitiveness of SMEs", which aims at improving the productivity and efficiency of SMEs, as well as to adapt the production system to higher added-value activities. Under this PA, Investment Priority (IP) 3.3 will support productive investments by SMEs contributing to improve their competitiveness through the creation and expansion of advanced capabilities for the development of products and services, whereas IP 3.4 will support the grouping of companies for their internationalization (measure 14) and will support SMEs in accessing expert advice in internationalization (measure 15).

In order for the SME Organics to impact on the ERDF ROP, project partners in Navarre have proposed to the policy instrument managers, and more specifically, to the managers of these support measures, to include in the section "Basic criteria that should be used to prioritize the operations", new criteria that favour organic SMEs, prioritised sector in Smart Specialization Strategy of Navarre (RIS3), when prioritizing the projects that have applied for ERDF co-funded calls.

The definition of the ERDF ROP implementation strategy has taken into consideration the complementarity and coherence with the Rural Development Programme of Navarre 2014-2020 (EARDF) from the early stages of its development. The Rural Development Programme of Navarre is one of the main instruments for promoting and supporting policies that are intended to be carried out in rural areas. The RDP Priorities 1, 2, 3, 5 and 6 of the EU's rural development policy contribute to ERDF Operational Programme of Navarre 2014-2020, generating complementarities.

In the case of agri-food SMEs, there is a risk of overlap between Measure 4.02 of the RDP (Improve the competitiveness of SMEs in the agro-industrial sector through investment aids) and Measure 12 of the ERDF ROP (Support to the productive investment of SMEs). When defining both EARDF and ERDF ROPs, Navarre decided that the agri-food industries were not to be eligible for Measure 12 of the ERDF ROP. As the same

administrative unit of the Department of Economy of the Regional Government is in charge of the management of both policy instruments, they discern at all times which companies are accommodated to one measure or the other, preventing overlaps. In respect to SME Organics influence in these policy instruments, the implementation of priorities 2, 3, 5 and 6 of the Rural Development Program of Navarra 2014-2020 is therefore closely linked to ROP Measures 12 and 13 (Subsidies for improving the competitiveness of SMEs), and measures 14 and 15 of the ERDF ROP described above do also contribute to the Priority 3 of the RDP of Navarre. Additionally, coordination in this thematic objective between ERDF and EAFRD is being carried out through the Fund Coordination Committee and the National Rural Network, following Regulation (EU) No. 1303 / 2013 which highlights the need to carry out an integrated approach to territorial development for the implementation of the ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

The Smart Specialization Strategy of Navarre (RIS3) is a medium- and long-term plan that seeks the socio-economic development of Navarre through the specialization of the regional economy in those areas with the greatest future prospects. As *ex-ante* conditionality for programming of ESIF, the objectives of the ERDF ROP are in line with the objectives of Navarre RIS3. One of the thematic priorities of Navarre RIS3 is the “Food Chain”, due to the strength of the primary sector and the agri-food industry. SME Organics has a clear link with this thematic priority as it has covered issues such as differentiation and specialization of the industrial sector, generation of new and local businesses, internationalization of the sector and improvement of the efficiency of the value chain.

Navarre RIS3 also highlights the importance of clusters for fostering innovation and competitiveness in the six economic areas prioritized in the strategy, as factors enabling collaboration, growth and business innovation, aligning agents, connecting entrepreneurs and SMEs with large companies and knowledge centers and opening the region abroad. Despite having been established for some years, in 2017 the Navarre Agri-food cluster “Nagrifood” kicked off its activities and started working in the development of its Strategic Plan. INTIA, as member of the Cluster, participated in the definition of the Strategic plan, influencing its orientation. The Cluster’s Strategic Plan has identified the development of the organic value chain as one of its strategic lines, which could contribute to develop new products, services and strategies in order to foster companies’ competitiveness and the creation of quality jobs.

Actions in the present Regional Organic Action Plan of Navarre therefore target the ERDF ROP, the RDP and the agri-food regional cluster, as a key competitiveness factor for the RIS3 agri-food sector.

### III. Details of the actions envisaged

Each action targets an identified priority objective. Taking into account the political context, the regional diagnosis carried out in the first phase of the project and the lessons learnt in the exchange of experiences with partner regions of the SME Organics project, a Regional Action Plan has been developed which includes actions related to the identified priority lines.

## PRIORITY LINE I.-Improve the competitiveness of the organic primary sector

The primary sector needs to be improved in response to the limitations and difficulties identified, mainly in relation to the difficulties in accessing the market and the need to respond to a complex and stringent demand.

### *ACTION 1. Business incubator proposal to promote entrepreneurship in organic farming*

#### **1. Background**

During the Parallel Workshop of production and processing of the first Field Visit in Aargau, two of the problems identified by partners and stakeholders of different regions related to production process of some regions, including Navarre, were land access and the cultural change that conversion to organic entails for farmers, pointing out their need for specific training.

It should also be noted in this context that an important lesson learnt after visiting different regions has been to realise the interest of young entrepreneurs in the organic sector, also linked to rural development of some areas. Several examples have led to this conclusion but the following two have been the inspiring ones to define and decide to incorporate this action in the Navarre RAP:

- “*MEDAB*” incubator is a business incubator specialized in the agro-food sector visited in the frame of the 3<sup>rd</sup> Field Visit of the project that took place in Puglia (Italy). The “*MEDAB*” has been working, among others, with a number of organic projects managed by young innovators providing training, mentoring and coaching co-designed with the young entrepreneurs to better target their needs. Such an experience has inspired the idea for the future: work more specifically on an incubator entirely dedicated to organic entrepreneurs. Its objective is to foster innovation processes in enterprises and increase youth employment in the agro-food sector. The “*MEDAB*” has shown to be a useful tool to collect challenges and develop innovation in the organic sector, starting from the sector needs and by developing incubation path designed to foster innovation in the organic sector both to create new enterprises and to strengthen the existing ones.

- “*Cluster Pôle Maraîchage Bio – Marmande*” in Nouvelle Aquitaine (France) was visited during the 6<sup>th</sup> Field Visit. In addition to offering an organization to support the labor insertion, this cluster includes an incubator for organic agricultural enterprises. The “*Pôle Maraîchage*” provides a space in which young people can start with the activity and see the results without the need of an investment. It is a space that also allows contact with farms that need relief and can this way give continuity to an activity after passing through the incubator.

As in other partner regions, the lack of young people jeopardizes the generational change in the agricultural sector. On top of it, it is strategically essential to establish measures to promote and facilitate the start-up of SMEs created by entrepreneurs, measures that ultimately will improve the competitiveness of agricultural enterprises. Moreover, the entry of young people, who usually are the more qualified ones, is a key issue in the renewal and modernization of SMEs of the organic value chain in order to improve their competitiveness.

There is an Agri-food Innovation Nursery in Navarre, which is located in the Agri-food City. The Agri-Food City is an initiative of the Government of Navarre under the Department of Rural Development, Environment and Local Administration. More than one million square meters are at the service of the agri-food sector, with all the centralized services and an outstanding geostrategic position. The Agri-food Innovation Nursery has a pilot kitchen and a laboratory among its facilities. The goal of the nursery is to facilitate business creation by providing entrepreneurs and already established companies facilities and services. The Navarre Business Innovation Centre (BIC) “The European Centre of Innovative Companies of Navarre

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|                                     | <p>(CEIN)” manages the nursery and puts at the entrepreneurs’/companies’ disposal, not only individual spaces for the development of the activities and common infrastructures, but also specific services to foster market growth.</p> <p>The overall objective of the present action is to complement the existing nursery with the creation of an incubator, including the necessary infrastructure and services for the primary sector in order to foster entrepreneurship.</p>   |
| <p><b>2. Action description</b></p> | <p>The Department of Rural Development, Environment and Local Administration of the Government of Navarra would be the coordinator in charge of the action. it seeks to address the problems detected in the primary sector through the following specific objectives:</p> <ul style="list-style-type: none"> <li>- Provide a temporary physical space for a first installation of SMEs that foster the entry of young people into the sector. On the one hand this space would provide arable land for production as well as the necessary infrastructure and equipment for the activity.</li> <li>- Provide training and advice to entrepreneurs in the first steps of their SMEs projects.</li> <li>- Create complementarities and synergies with the Agri-food Innovation Nursery so that the organic sector is specifically present.</li> </ul> <p>The steps to be taken in the implementation of this action will be the following:</p> <ol style="list-style-type: none"> <li>1. Preliminary study for its implementation. Part of this study has already been performed by a student of the Public University of Navarra. More information of the players involved would be needed to organise the implementation.</li> <li>2. Creation of a collaboration agreement between the different players involved specifying their roles.</li> <li>3. Identifying the space that would be the incubator. This space would contemplate areas for individual use and areas for common use, with the infrastructure that covers the needs of the activities that are going to be developed.</li> <li>4. Proposal for offering the service to entrepreneurs with its specifications.</li> </ol> |
| <p><b>3. Players involved</b></p>   | <ul style="list-style-type: none"> <li>- <b>Government of Navarra</b> could be in charge of the implementation of the Action and also of the monitoring of its implementation</li> <li>- <b>INTIA</b> could provide training and advice in production of products and the economic management.</li> <li>- <b>CPAEN</b> could also give advice and support in the control and certification process</li> <li>- <b>CEIN</b> could participate advising the coordinator in charge of the action during the implementation process, as well as making the changes if necessary to include the organic concept in the nursery to guarantee the presence of organic start-ups in the Agri-food Nursery of Navarre.</li> <li>- <b>Public University of Navarre</b> could give advice in processing of products</li> <li>- <b>City Council of Pamplona</b> could provide land for production which is located in an area of the city that has traditionally been cultivated, within a project that seeks to set up a river meander area for sustainable agricultural production with pedagogical objective for citizenship.</li> </ul>  |

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| <b>4. Timeframe</b>                      | 2018-2020  |
| <b>5. Costs (if relevant)</b>            | 45.000 €   |
| <b>6. Funding sources (if relevant):</b> | Funds of the Local Administration of Pamplona.   |
| <b>7. Monitoring</b>                     | Key Performance Indicators: <ul style="list-style-type: none"> <li>• Number of meetings with the players involved</li> <li>• Collaboration agreement proposal</li> </ul> |

## PRIORITY LINE II.- Promote the development of organic production agro-industry

The processing sector buys mainly the raw material outside of Navarre, mainly due to lower prices. It is important to foster the purchase of local raw material, and to strengthen consumer confidence in the quality of the product. There is a need to praise the added value of the product for consumers' knowledge, considering when labeling that the diversity of labels/logos sometimes leads to consumers' confusion.

### ACTION 2. Improve the competitiveness of SMEs in the agro-industrial sector through investment aids

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| <b>1. Background</b> | <p>Regional agri-food industry is often supplied with primary production from outside of Navarre. At the close of 2016, there were 131 companies and they are continuously growing, which is an indicator of the upward trend in production and consumption of organic products. As for sales locations, there has been an increase in recent years in the number of partners in organic product consumer associations, specialty stores and spaces dedicated to these products in supermarkets.</p> <p>Small enterprises generally focus strictly on organic production and in a quite traditional way and employ short commercialization channels and show little interest in access to mass distribution channels, even for growth in production volume. Medium enterprises generally produce conventional and organic production, are very technologically advanced, and are constantly expanding their range.</p> <p>When it comes to improve the competitiveness of SMEs, investment aids play a relevant role. Small and medium-sized companies have different characteristics and usually require investments with different orientations. While both type of companies need investments aimed at obtaining high quality products to be competitive, usually investment costs are proportionally higher for small production lines.</p> <p>During the last Field Visit held in Lodzkie (Poland). the juice sifter “<i>Wiatrowy Sad</i>”, a family company that produces fruit juices from its own orchard farm was visited. They produce quality juice, pressed from whole, healthy and natural fruits, without containing any preservatives or water and having naturally occurring sugars. “<i>Wiatrowy Sad</i>” also produces organic juices. It should be noted that companies must seek technically viable solutions to the limitation that organic production entails in terms of additives, preservatives, dyes, etc. For example, this company manages to prolong the shelf life of its product using a bag in box type packaging, so that the juice is protected from oxygen. Small businesses need to make comparatively more expensive investments. The aid can also be a key help for producers to give way to the transformation of their products, providing added value that makes them more competitive. We knew an example of this during the exchange of experiences. A farmer explained how he decided to take the step and go from selling apples to</p> |
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|                                     | <p>making his own juice.</p> <p>Medium enterprises generally produce conventional and organic production. They are very technologically advanced, and are constantly expanding their range. They need investments to unfold their production lines and carry out specific lines of organic production, thus avoiding problems of contamination and process management. This is the case of “Pastificio Attilio Mastromauro Granoro – Granoro Srl” known in Puglia. A company based in an Italian southern region, a traditionally durum wheat semolina production area for pasta, had to buy in other countries the raw material when they started with their organic line, with the logistical drawbacks that this entails. They had to invest in an independent second process line for organic products to comply with the requirements of regulations. This initiative favored the production of organic durum wheat in the local area so that nowadays the suppliers are local producers. The consequence is an improvement for the sector of the area with the correspondent wealth generated on the one hand, and the improvement in terms of control of the process and the raw material for the company to ensure the quality of its products, in addition to the confidence it generates in the consumer on the other hand.</p> <p>Investment aid in agri-food industries should value positively both organic production and the small size of the company (SME). This measure would include aids for investment projects showing positive progress in some of the following areas:</p> <ul style="list-style-type: none"> <li>- Improvement of processing and marketing</li> <li>- Increased product value added</li> <li>- Quality improvement</li> <li>- Increase in productive capacity</li> <li>- Energy efficiency and the use of inputs</li> <li>- Increase in employment</li> <li>- Diversification of activities</li> <li>- Environmental Protection</li> <li>- Job security</li> </ul> |
| <p><b>2. Action description</b></p> | <p>The objective of this action is to integrate in the requirements of access to the agro-industrial sector investment aids the positive valuation of small and medium enterprises (SMEs) and organic production for awarding the aids in order to compensate for the necessary investments to increase the competitiveness of small organic agri-food industries and to adapt the production lines of the medium-sized agri-food industry that combines organic and conventional production.</p> <p>General Directorate of Economic and Business Policy and Jobs of the Department of Economic Development of the Regional Government of Navarre is the organisation in charge of the action.</p> <p>The agri-food industry has a greater implantation in the rural area and serves as a tractor of the primary sector, facilitating the increase of the added value of agricultural products. The purpose of these grants is to encourage investment in processing, marketing or development of agricultural products to improve the competitive position of the agri-food sector of Navarre.</p> <p>Rural Development Program (RDP) of Navarre for the 2014-2020 period includes this measure of support with code M 4.02. . As described in the section on policy</p>   |

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|  | <p>context there was a risk of overlap between this Measure 4.02 of the RDP and Measure 12 of the ERDF ROP (Support to the productive investment of SMEs). When defining both EARDF and ERDF ROPs, Navarre decided that the agri-food industries were not to be eligible for Measure 12 of the ERDF ROP. Mentioned measure defines "companies of quality production" that comply, among others requirements be artisan companies and/or those dedicated to the production of protected designations of origin, geographical indications protected or organic products when such production exceeds 50% of its turnover.</p> <p>Beneficiaries of these grants may be (individuals and companies) companies that meet the requirements of having a production plant in Navarre and develop activities of processing, marketing or development of agricultural products.</p> <p>The amount of aid shall be determined according to the percentages indicated in the measure, which will be added and will result in the aid intensity to be applied on the basis of the eligible costs of the investment project. In the case organic production companies a 2% is added. Size of the company at the time of applying for subsidies implies an 8% in the case of SMEs.</p> <p>The grants are allocated on the basis of competitive procedure with selection criteria for the projects presented. Organic production is now valued with 12 points out of 100 and SMEs are valued with 10 points out of 100.</p> |
| <b>3. Players involved</b>               | <b>Regional Government of Navarra</b> will be in charge of the implementation of the Action and also of the monitoring of its implementation  |
| <b>4. Timeframe</b>                      | 2014-2020   |
| <b>5. Costs (if relevant)</b>            | An expenditure of 9,000,000 euros for funding of these grants in the financial year of 2017 was reserved  |
| <b>6. Funding sources (if relevant):</b> | <b>EARDF Measure 4.02 of Regional Rural Development Plan.</b> The maximum subsidy granted by record amount is EUR 2,000,000. These grants are co-financed by 31% by the European Agricultural Fund for Rural Development.   |
| <b>7. Monitoring</b>                     | <ul style="list-style-type: none"> <li>• Number of SMEs applying for funds</li> <li>• Number of organic SMEs applying for funds</li> <li>• Funding amount for organic SMEs</li> </ul>   |

## PRIORITY LINE III.- Improve consumer confidence in organic production and encourage its consumption

The Navarre consumer is not familiar with organic products, which added to the fact that the region has a long tradition of local product, has resulted in consumer's confusion between local and organic production. A lack of alignment between supply and demand is also observed in the region. This has resulted in the demand being met with imports thus leading to a loss of consumer confidence.

### ACTION 3. Influence the Agrobusiness Cluster (Nagrifood)

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| <p><b>1. Background</b></p>         | <p>In the context of the exchange visits envisaged in the SME-Organics project, the seventh field visit corresponded to the region of Transylvania, in Romania, between 28 and 29 November 2017. As a good regional practice in the promotion of the activity of SMEs of organic production, the initiative AgroTransilvania Cluster: Joint commercialization model was presented.</p> <p>AgroTransilvania Cluster, set up in 2013 at the initiative Cluj County Council, is an association of 70 member organizations: agri-food producers, traders, cooperatives, local authorities, chamber of commerce, universities and research institutes from the North-West Region of Romania. The cluster promotes collaboration between business entities in the agri-food industry and encourages the competitive restructuring of the sector.</p> <p>Funding of this initiative is based on the private support of the producers who are using the cluster market channel. In addition, cluster is operating based on members' fee and European funded projects.</p> <p>The activity of the cluster is to support the development of agro-industrial sector, with the stated aim to support the increase of both the association and its individual members' competitiveness, both on the national and world markets. The mission is to become an Integrator Pole of research, innovation, technology transfer and sustainable development of the Transylvanian agribusiness sector (supporting sustainable competitiveness of the agribusiness sector).</p> <p>The strategy is based on 6 strategic activities:</p> <ol style="list-style-type: none"> <li>1. Increasing the research and development capacity in field of bio-economy and nationally and internationally strengthening the image as innovative smart specialization cluster</li> <li>2. The Increase of Sustainable Competitiveness of Agri-Industrial Sector in Transylvania</li> <li>3. Encouraging the Set-up and/or the Development of Associative Forms, in following areas: - plant production; - animal husbandry; - processing and manufacturing; - marketing sector.</li> <li>4. The Increase of Qualitative and Quantitative Representatives of Cluster</li> <li>5. Integration of Producers and/or Associative Forms into the Value Chain</li> <li>6. Support the Development of Local and Regional Initiative</li> </ol> |
| <p><b>2. Action description</b></p> | <p><b>Navarra Agri-food Cluster (Nagrifood)</b> (organisation in charge of the action) is a non-profit organization, which aims to foster competitiveness of the agri-food companies of Navarre through the development of inter-cooperation, open innovation and intra-entrepreneurship. In the development of its Strategic Plan, where SME ORGANICS members have participated, the Cluster has identified the development of the organic value chain as one of its strategic lines, which could</p>  |

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|   | <p>contribute to develop new products, services and strategies in order to foster companies' competitiveness and the creation of quality jobs. One of the Strategic Axes of the Agro-food Cluster is the so-called Cross-cutting Innovation Ecosystem, and one of its main areas of work is the development of the organic supply chain.</p> <p>The aim of the action is to develop an identified strategic line related to organic value chain inside of the Cluster. As it was seen at the first steps of the Cluster development, organic food production was detected as an strategic line of development for Navarra. For this reason it will be necessary to set an specific line of work to develop inside of the Cluster.</p> <p>Through influencing the Navarra Agri-food Cluster, Action 3 has therefore directly addressed the <u>Smart Specialization Strategy of Navarre (RIS3)</u>, more specifically challenge number 3. This challenge seeks to strengthen cooperation and synergies in the regional agri-food sector, which will from now on also consider enhancing the incorporation of local and organic agricultural and livestock products for processing and exporting. As ex-ante conditionality for programming of ESIF, relevant measures in Axis 3 of the ERDF ROP shall therefore take account of the Navarre RIS3.</p> <p>Raw materials coming from other countries, traveling long distances for being transformed in our region do not match with the meaning of organic concept. It means that consumer usually confuse local product with organic food, and this kind of product could affect to consumers confidence. On the other hand, organic food industries would prefer buying raw materials in a short distance production area, mainly in order to have lower transport cost, but also for an environmental awareness of reducing emission gases produced by the transport.</p> <p>It is believed that a Cluster working along the value chain surely improve consumer confidence offering an organic product with low economic and environmental costs.</p> <p>The development of the action implies the definition and the implementation of the steps to follow to increase consumer confidence:</p> <ul style="list-style-type: none"> <li>- Setting a stakeholder group involved in the organization of raw material supplying.</li> <li>- Sharing information between processors and producers to know futures raw material would be needed in the following years. So to run the organic production.</li> <li>- Consumer awareness campaign informing about the environmental effects in the region producing and processing food in an organic way.</li> </ul> |
| <p><b>3. Players involved</b></p>               | <p><b>Navarra Agri-food Cluster (Nagrifood)</b><br/>Enhancing the competitiveness of the agri-food sector in Navarre</p> <p><b>Regional Government of Navarre</b></p>  |
| <p><b>4. Timeframe</b></p>                      | <p>April of 2018 – March of 2020</p>   |
| <p><b>5. Costs (if relevant)</b></p>            | <p>There are no specific costs to this action since it is included in the strategy of development of the Agri-food Cluster and in its own budget</p>   |
| <p><b>6. Funding sources (if relevant):</b></p> | <p>Subsidies to collaborative actions of clusters and enabling platforms 2018. Amount granted to the Navarra Agri-food Cluster: 78.769,99 €</p>  |
| <p><b>7. Monitoring</b></p>                     | <ul style="list-style-type: none"> <li>• Number of SMEs in Nagrifood</li> <li>• Number of organic SMEs in Nagrifood</li> <li>• Number of organic SMEs Navarre</li> </ul>   |

## PRIORITY LINE IV.- Promote the structuring of the organic sector

Organic primary sector shows a low level of association. There is a very powerful and very specialized cooperative sector in the region which is not adapted to the needs of the organic primary producers. Collaboration between public and private entities is considered essential to plan strategies of development of the organic sector to give response to its shortcomings and needs. In fact, it is counterproductive to engender dependency to organic production subsidies without global development strategies.

### ACTION 4. Promote the creation of an interprofessional association

#### 1. Background

The exchange of experiences with the New Aquitaine region, with a more developed organic sector, was revealing and enriching. Specifically the Field Visit that took place in September 2017 brought experiences and really interesting good practices to be launched in Navarre. This is the case of “*INTERBIO*”, an entity that has managed to develop the organic sector in Aquitaine and that is seen as essential to improve the development of the sector in Navarre.

The objective of “*INTERBIO*” as an organic interprofessional regional association is to give answer to the needs of all the professional of the organic food and farming chain (producers, cooperatives processors and retailers).

The missions of “*INTERBIO*” include gathering professional organisations and representing them to public authorities and other institutions; communicating and promoting regional products; structuring the organic value chains and supporting the introduction of organic products in public catering.

“*INTERBIO*” has supported the sector since it was created, focusing on training, production, processing and catering. It has been a key player structuring and promoting the sector, as well as creating a market. The ecological sector of New Aquitaine is much more advanced and analogously this action is considered necessary to advance the development of the ecological sector of Navarre.

This action raises the promotion of the creation of an interprofessional association, that in addition to the missions that the French example has, would also contemplate the commercialization of the SMEs products as an important issue to improve locally, nationally and internationally. This would be aimed at developing some opportunities detected in the diagnosis enabling the organization of product exports, creation of online sales platforms and other marketing channels. Some SME Organics Field Visits have been interesting to know examples of these options, such as the organic food export and trade and the “*Reko rings*” in Finland, “*Târgul Agro*” online platform in Romania and “*Mrowisko*” in Poland.

The creation of an interprofessional association, which was created 14 years ago in New Aquitaine when the sector was not structured or associated as it happens here and now in Navarra, is a mirror where we look, seeing the results of what has been achieved there in terms of the development of the organic sector. It is clear to us that the interprofessional allows a better communication between different agents of the sector, which allows a better and faster response to the identified problems through collaboration. That is why we believe it is essential to create an association of these characteristics as soon as possible and promoting its creation will be the object of this action.

Among the objectives and the work to be carried out by the association, we believe

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|  | <p>that the improvement of commercialisation should be included. Commercialisation has been identified as an important issue for SMEs competitiveness during the project and we have known the mentioned examples, perfectly transferable to our region, that could be promoted and developed more easily through an interprofessional association, that could also give advice and work to improve and organise commercialisation.</p>   |
| <b>2. Action description</b>             | <p>The objective is to establish the bases for the creation of an interprofessional association of the organic sector of Navarre, that helps to correct the lack of organization that presents the regional organic sector and in turn provide it with organisational infrastructures adapted to its volume of production.</p> <p>Through influencing the Navarra Agri-food Cluster, Action 4 has therefore directly addressed the <u>Smart Specialization Strategy of Navarre (RIS3)</u>, more specifically challenge number 3. This challenge seeks to strengthen cooperation and synergies in the regional agri-food sector, which will from now on also consider enhancing the incorporation of local and organic agricultural and livestock products for processing and exporting. As ex-ante conditionality for programming of ESIF, relevant measures in Axis 3 of the ERDF ROP shall therefore take account of the Navarre RIS3. INTIA will be the coordinator of the action. Based on the group of stakeholders identified in the SME Organics project, it will be in charge of organizing meetings with all of them to promote the idea.</p> <p>The following steps will be taken:</p> <ol style="list-style-type: none"> <li>1. A student will carry out a study on “INTERBIO” through a research stay in New Aquitaine</li> <li>2. Conclusions on the study carried out will be transferred to stakeholders</li> <li>3. Key actors will be identified and a roadmap for next steps and meetings will be set out to achieve the objective</li> </ol> |
| <b>3. Players involved</b>               | <p><b>INTIA</b> will be the coordinator of the preliminary phase for the creation of the Association.</p> <p><b>All the stakeholders of the region</b> as possible members of the association.</p>  |
| <b>4. Timeframe</b>                      | 2019-2020   |
| <b>5. Costs (if relevant)</b>            | Not relevant costs needed.  |
| <b>6. Funding sources (if relevant):</b> |   |
| <b>7. Monitoring</b>                     | <ul style="list-style-type: none"> <li>• Number of meetings with players involved</li> <li>• Number of stakeholders interested in getting involved</li> </ul>   |



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| <b>Date</b>                                     | <u>14/01/2019</u>  |
| <b>Signature</b>                                |  |
| <b>Stamp of the organisation (if available)</b> | <u>Department of Rural Development Environment and Local Administration of the Government of Navarre</u> |