

## ENRD Thematic Group on Sustainability Agreements

### **CASE STUDY**

# Cooperativa del Campo de Navaconcejo: Collective initiatives and Sustainability Agreements in a recognised fruit and vegetable Producer Organisation

#### Introduction

This case study illustrates how **horizontal agreements**, made between actual or potential competitors, and **vertical agreements**, undertaken between different actors operating within the food supply chain, can be implemented in a **recognised producer organisation**.



#### Cherries by small producers in mountain areas with a sustainable production model

Cooperativa del Campo de Navaconcejo was founded in 1937 in Jerte Valley, Extremadura region, Spain. The cooperative is a recognised Fruits and Vegetables Producer Organisation (PO) gathering around 300 small producers of fruits in mountain areas, producing, standardising and commercialising their own production.

The cooperative produces mainly cherries including picota cherries, chestnuts, plums, and figs. The average total production is around 2 000 tonnes of fruit a year.

The philosophy of the cooperative is to achieve optimal profitability, social and sustainable development of the territory by maximising synergies and integrating its farmers and partners; supporting the personal and professional development of the staff; establishing mutually beneficial business relationships with customers, suppliers and collaborators within the supply value chain; and providing healthy and quality products to final consumers.



#### Collective actions and sustainability agreements in a recognised Producer Organisation

According to article 209 of the Regulation (EU) No 1308/2013, establishing a common organisation of the markets in agricultural products (CMO), "the article 101(1) TFEU shall not apply to agreements, decisions and concerted practices of farmers, farmers' associations, or associations of such associations, or producer organisations recognised under Article 152 of this Regulation, or associations of producer organisations recognised under Article 156 of this Regulation, which concern the production or sale of agricultural products or the use of joint facilities for the storage, treatment or processing of agricultural products, unless the objectives of Article 39 TFEU are jeopardised".

Being a recognised Producer Organisation (PO) **enables the cooperative to operate in a very different way than a non-recognised PO**, according to the objectives stated in Article 39 TFEU, which are mandatory for recognised POs:

- to increase agricultural productivity by promoting technical progress and by ensuring the rational development of agricultural production and the optimum utilisation of the factors of production, in particular labour;
- thus, to ensure a fair standard of living for the agricultural community, by increasing the individual earnings of people engaged in agriculture;
- to stabilise markets;
- to assure the availability of supplies; and
- to ensure that supplies reach consumers at reasonable prices.

As a recognised PO, Cooperativa del Campo de Navaconcejo must **comply with the following economic and environmental sustainability objectives, according to the CMO regulation:** 

- ensuring that production is planned and adjusted to demand, particularly in terms of quality and quantity;
- concentrating supply and placing on the market of the products produced by its members, including through direct marketing;
- optimising production costs and returns on investments in response to environmental and animal welfare standards, and stabilising producer prices;
- carrying out research and developing initiatives on sustainable production methods, innovative practices, economic competitiveness, and market developments;
- promoting, and providing technical assistance for the use of, environmentally sound cultivation
  practices and production techniques, and sound animal welfare practices and techniques; for the use of
  production standards, improved product quality and developing products with a protected designation
  of origin, with a protected geographical indication or covered by a national quality label;
- managing by-products and waste to protect the quality of water, soil and landscape and preserving or encouraging biodiversity;
- contributing to a sustainable use of natural resources and to climate change mitigation;
- developing promotion and marketing initiatives;
- managing the mutual funds referred to in operational programmes in the fruit and vegetables sector; and
- providing the necessary technical assistance for the use of future markets and of insurance schemes.





One of the main advantages of recognised PO is **the aggregation of the supply production**. The PO is led by producers, who produce, standardise, and commercialise their own production.

Furthermore, being a recognised PO means that the cooperative can access EU funding through the implementation of **Operational Programmes**. Carrying out Operational Programmes also entails a great deal of responsibility in environmental matters. Through its engagement in Operational Programmes, Coperativa del Campo de Navaconcejo is committed to the environmentally friendly management of orchards and the improvement of energy resources on farms.

The Operational Programmes of the PO Cooperativa del Campo de Navaconcejo allows its members to plan the production by improving farm infrastructure, field facilities methods and production (machinery, equipment, vehicles, seedlings, etc.). They also work to improve product quality through traceability better systems, certification of quality systems (Globalgap, BRC, standards required by retailers), organic production and production certified as Protected Denomination of



Origin (PDO) 'Cereza del Jerte'. Another area developed by the PO Cooperativa del Campo de Navaconcejo is the commercialisation of products through the acquisition or construction of infrastructure and equipment, as well as market research and commercial promotion.

The PO guarantees its members' access to **market crisis management systems**, such as funds for no cost / no price distribution, to avoid oversupply in the markets and resulting decrease in prices. This system is a key tool to regulate markets, channelling the oversupply to food banks and social canteens.

The Operational Programmes of the PO Cooperativa del Campo de Navaconcejo include **environmental measures** such as actions to combat soil erosion, for instance through the incorporation of pruning residues in the field or the use of natural plant protection systems in ecological production; the Operation Programmes also envisage green investments, including investments in the modernisation of irrigation systems, improved water management, and investments in solar energy on farms; the Coperative is also engaged in the provision of training in environmental matters and in activities to raise environmental awareness.



## Certification of the production by 300 small producers in mountain areas against standards based on Good Agricultural Practices: GLOBALG.A.P.

The Integrated Farm Assurance (IFA) GLOBALG.A.P. standard for fruit and vegetables is a global standard for responsible farming practices at primary production level, covering pre-harvest activities such as soil management and plant protection product application, to basic post-harvest handling. The GLOBALG.A.P. standard for fruit and vegetables has been operational for over 20 years and has been developed through extensive collaboration with stakeholders throughout the sector. This standard is aligned with the United Nations Global Compact Food and Agribusiness Principles and the Sustainable Development Goals. At a glance, the IFA GLOBALG.A.P. standard presents the following key characteristics and related advantages:

- it adopts an approach that covers food safety, environmental sustainability and biodiversity, workers' well-being, production processes, and traceability;
- it supports increased efficiency and improved management of farm operations;
- It provides clarity on market requirements and acts as a practical manual for on-farm activities;
- it enables producers to demonstrate responsible farming practices and buyers to easily identify production that fulfils their requirements;
- it implements a farm-level continuous improvement plan that helps producers to analyse and enhance their operations; and
- it features rigorous sustainability criteria on biodiversity, water, plastics, pest management, and more.



This standard is audited annually by accredited and independent third-party certification bodies, resulting in a certificate valid for one year, which is demanded by most of the retailers and wholesale markets all around the world.

GLOBALG.A.P. has created a new label used in final products, the **GGN label**<sup>1</sup>, which stands for certified, responsible farming and transparency in the agri-food supply value chain. The GGN label offers final consumers a consistent, relevant assurance and supports their orientation throughout the production chain, down to the store. It does so by confirming that the products were farmed in line with certified, responsible farming practices that cover: food safety; environmental protection; animal welfare; social responsibility; and supply chain transparency. The PO Cooperativa del Campo de Navaconcejo is due to adopt the GGN label in late 2022-2023.

The small producers of the PO Cooperativa del Campo de Navaconcejo comply with several criteria of the GLOBALGAP standard.

**Cherry varieties** used by producers across the PO are chosen for their resistance to pest and diseases, lower water requirements and longer shelf life.

<sup>&</sup>lt;sup>1</sup> https://www.ggn.org





The producers have developed a **common soil management plan**, which considers the nutritional needs of the crops and help maintain the soil fertility and avoid soil erosion. Cherry trees are cultivated in terraces on mountain slope, supporting the soil with stones and/or ivy.

**Nutrients and fertilisers are applied in a targeted way**, based on a soil analysis/technical data, in order to meet nutrient demand whilst avoiding soil and water contamination.

The PO Cooperativa del Campo de Navaconcejo's small farmers produce their fruits using an **integrated pest management system**. A common pesticide list has been approved by the technical department of the PO, together with the regional Government. Integrated pest management requires careful consideration of all available pest control techniques and the subsequent integration of appropriate measures to reduce the development of pest and diseases keeping pesticides to levels that are economically justified and minimise the risks for human health and the environment. The use of beneficiary insects is preferred to synthetic pesticides, for example *Coccinella septempunctata*, *Adalia bipunctata or Chrysopa sp.* are used to fight the pest *Myzus cerasi*.

**Food safety** is a key aspect in the production of fruits, using only the active substances included in the approved pesticide list, and monitoring the Maximum Residues Levels (MRL) by doing multi residues analysis of pesticides in ISO17025 accredited laboratories.

**Water management** is crucial, as climate change makes water an increasingly scarce natural resource. The PO promotes efficient irrigation systems and the presence of small water storage facilities in the farms to collect rainwater and use it during the summertime.

Finally, waste and pollution management is also crucial in the standard to avoid or minimise waste and pollution. Wood from pruning is crushed, triturated, and used to enhance organic matter in soil, improving its fertility. Recyclable materials from cherry production are collected and segregated.

#### Protected Denomination of Origin (PDO) 'Cereza del Jerte' and organic certification

The PO Cooperativa del Campo de Navaconcejo is also certified against the standard of the Protected Denomination of Origin (PDO) Cereza del Jerte. The PDO Cereza del Jerte exclusively protects cherries for fresh consumption of the species *Prunus avium L*. Four of the five varieties of cherries covered by the PDO belong to the type picota cherries. All PO members operate according to the requirements set down by the PDO designation.

Some of the PO producers are also committed to cultivating their production according to the minimum Organic standards set down in Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007.

PO members have also agreed to operate according to additional voluntary standards that allows them to further differentiate production in a more sustainable way.

However, despite above, the producer does not always receive a return for the extra cost and time invested in the achieving these higher standards, particularly for conversion to organic certification for which the producers do not receive any compensation.



## Research & Development projects with research entities: developing a new variety of

In 2014 the PO Cooperativa del Campo de Navaconcejo and the Scientific and Technological Research Centre of Extremadura (Centro de Investigaciones Científicas y Tecnológicas de Extremadura - CICYTEX) signed a Research and Development sustainability agreement. Its aim was to develop a new variety of cherry which is more resistant to pest and diseases, requires less water and has a longer shelf life. The name of this new variety is Jerte Queen<sup>2</sup>, as has already launched on the market.

Including research and experimental development of new cherry varieties, in collaboration with a research centre, in a sustainability agreement has resulted in positive improvements to the environment as well as an increased income for producers in the PO and better final product for consumers.

#### Disclaimer

This paper has been developed with the involvement of Thematic Group members from several EU Member States as part of the work carried out by the ENRD Contact Point to support the activities of the Thematic Group on Sustainability Agreements. The information and views set out in this document do not necessarily reflect the opinion of the European Commission.

<sup>&</sup>lt;sup>2</sup> https://www.mapa.gob.es/app/regVar/DetalleVariedad.aspx?id=es&TipoV=P&IDVariedad=20145141

