

SPAIN

Agri-food chain integration & quality

Location

Balearic Islands

Programming period

2014 – 2020

Priority

P3 - Food chain & risk
management

Measure

M16 – Cooperation

Funding

Total budget 39 510.00
(EUR)

RDP contr. 28 710.77 (EUR)

Private 10 799.23 (EUR)

Project duration

2020 to 2020

Project promoter

Balearic Islands Managing
Authority

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Website

n/a

Short supply chain success stories catalysed by COVID-19 crises in Spanish islands.

Summary

A new package of CAP funding was designed and delivered successfully by the CAP managing authority in Spain's Balearic Islands to help safeguard and strengthen food security and farm incomes. Outcomes were assisted by Simplified Cost Options and improved the islands' resilience to crises. This CAP funding

demonstrated the range of benefits from direct sales and marketing for all stakeholders in food value chains. Environmental synergies were also achieved by this CAP support for short supply chain to Producer Organisations and cooperatives.



Project Results

- The CAP beneficiary diversified and strengthened its business base.
- Better production has been inspired by the short supply chain in the agri-food sector.
- Island food security was safeguarded.

Lessons & Recommendations

- CAP flexibility allowed the managing authority to assist farmers and residents in times of acute crises.
- Short supply chains can help diversify rural economies and strengthen resilience of local food supplies.
- Simplified Cost Options ease administration of CAP support for authorities and beneficiaries.

Context

COVID-19 highlighted the agri-food's sector importance to Spain's Balearic Islands as transport restrictions on imports and exports created resilience risks for the islands' farmers and food supply chains. In response, the CAP-funded regional Rural Development Programme (RDP) was able to introduce a new form of financial support during 2020 (through sub measure 16.4.1) promoting short supply chains to facilitate local, 'from-home' sales of agri-food products.

The RDP modification introduced a new methodology for calculating CAP funding interventions complemented by Simplified Cost Options. Up to EUR 25 000 was available for an eligible business to cover up to 70% of the total eligible expenses. For each home delivery under EUR 30, the aid was 30% of the selling price. Home delivery orders of more than EUR 30 received 20% aid, plus EUR 3. The new RDP support package was well received, with 21 applications totalling a requested investment of EUR 349 353.

One of the beneficiaries of this RDP aid was the 'TERRACOR' company, which has been growing fruit, vegetables, and aromatic herbs since 1974. It is made up of five partners who operate 13 farms located in different municipalities on Mallorca, covering an area of more than 300 hectares and 54 crops. The outbreak of COVID-19, just before the start of the tourist season, left them with a large quantity of stored products that they could not sell through their normal channels. This forced them to look for alternatives and thus, to start selling from home and delivering door-to-door thanks to the promotion of short supply chains.

Objectives

This type of CAP support was designed to help strengthen island resident's awareness, appreciation, and commitment to supporting local value chains for agri-food products – thereby improving income opportunities for farmers by strengthening their position in the food chain and helping CAP ensure a fair income for farmers.

TERRACOR's main aim of this action was to help the agri-food company diversify its business activities by establishing short supply chain distribution systems and related direct sales marketing to island customers.

The CAP funds would also facilitate the government's pandemic controls by helping reduce the need for island residents to interact in food shops during confinement restrictions.

A further aim was to help offer new opportunities for island tourism operators to diversify into food delivery.

Activities

CAP-funded activities using Simplified Cost Options involved:

- Promoting the new direct sales service of 'food baskets' to customers through an online platform.
- Developing and planning of delivery routes for produce and the purchase of a dedicated delivery vehicle.
- Establishing a network of local drop-off points, where the delivery containers could be collected collectively for cleaning and reuse.

Main Results

Results from TERRACOR's CAP support included:

- Establishing and consolidating new revenue streams and customers.
- Diversifying into direct distribution with catering establishments, avoiding intermediaries.
- Improved planning of agri-food production to be better aligned with seasonal crops and by joining forces with other producers to ensure availability and variety of supply throughout the year for local customers.

Key lessons

CAP flexibility was used successfully by the managing authority to strengthen island and rural resident's awareness, appreciation, and commitment to supporting local value chains for agri-food products – thereby improving income opportunities for farmers by strengthening their position in the food chain and helping

CAP ensure a fair income for farmers.

Local food security was safeguarded for the islands which are more exposed to transport shocks than mainland areas.

The use of Simplified Cost Options helped allow for a smoother and swifter administrative procedure.

From the beneficiary's point of view, TERRACOR has been able to invest in a priority area; that of sustainable food production and cooperation. Bringing producers into contact with consumers has promoted local and proximity consumption - and all the benefits that this brings for the territory and for the environment - in a way that will deliver lasting benefits.

"We focus on local products and on generating experiences, telling them how much it costs to generate that product."

Balearic Islands Managing Authority

Additional sources of information

n/a