

FINAL REPORT
FARMING – THE DEBATE
ACTION TAKEN

“EXCHANGING KNOW-HOW: STRATEGIES FOR THE BALKANS”

The initiative entitled “*Exchanging know-how: Strategies for the Balkans*” took place on 20, 21, 22 and 23 March 2007. The actions suggested in the proposal were agreed during the meeting on “*Farming: the debate*” at the 6th Forum of the Chambers of Commerce of the Adriatic and Ionian Seas which was held in Durazzo, Albania, (Cfr.Final report on the Farming Debate 2006). The organisation of the event, which included a series of meetings and training seminars, was co-ordinated by the Chamber of Commerce and the Province of Ancona.

The purpose of the initiative was to organize a meetig between excellently run businesses operating in a common area – the Adriatic Euroregion –and to provide information about the excellent business practice that is an essential part of each of them, so that know how exchange will be improved. FirmVisits were supported by seminars during which various subjects concerning Eu planning, various sources of renewable energy, and business organisation in relation to Associationism were discussed. 30 opteraors working in the agroalimentary sector on the other side of the Adriatic delegates from Croatia, Bosnia and Herzegovina, Montenegro and Albania took part to the project.

The reasons for the project arose from matters raised by those taking part in the debate on farming during our visit to Durazzo (Albania). These included the critical problems that the new states in the Balkanic area have to face. These problems are considerable and complicated because they cover different sectors, and because the relationship between public and private institutions is still rather problematic. With regard to the farming sector, the major problems relate to the fragmentation of land and estates split into small plots. The matter is complicated because it makes it difficult to cultivate produce that requires a certain number of hectares of land to be economically profitable, (economy of scale for efficient production). It should also be noted that small landowners, often unrelated, are vulnerable to market changes, caused by volatility of demand and competition from abroad. As far as fluctuation in demand is concerned, it needs to be borne in mind that an efficient business must adapt to consumer preferences and the changes these entail. In recent years, the demand for increasingly higher quality

goods, and products that are friendly to the environment has increased, whilst eating habits have also changed, with consumers now preferring a diet which is low in fat. On the other hand, the new markets in the Balkanic area close to the Eu pose problems of direct competition between European products and those of the Balkans. In effect, in order to compete on an increasingly more global market, these countries need to adjust as much as possible to the regulations and environmental controls of their neighbour, Europe. They need to do this in order to be competitive, and to maintain their market share, but they also need to do it because they could be amongst the next candidates to enter the Eu. The opportunities offered by contacts, not necessarily strictly commercial, between the Eu and the Balkanic area, and the opportunities for future funding for collaborational projects (CARDS for example), should be borne in mind. The new European “politics of neighbourliness” is also moving in the same direction, and tends to favour co-operation between neighbouring countries regardless of confines and territorial boundaries. Setting up an Adriatic Euroregion is a general goal of the new phase of planning for European structural funding, and co-operation is considered a crucial factor in the new politics of social and economic cohesion during the period 2007-2013.

An important factor peculiar to agricultural activity is its heavy dependence on the weather, which makes crop rotation and diversification of production essential. Again, the division of estates into smaller plots makes it difficult to cultivate other produce: production costs are too high and the produce itself, when sold does not sufficiently repay farmers for their work.

A possible solution to these problems could be co-operatives. For institutional reasons, however, it was, until relatively recently, impossible in the Balkans to become part of a co-operative. When the war was over, and with the legislative changes in the new states that grew out of the dismantling of the old Yugoslavia, new legislation on property ownership has been passed which is less restraining than previous legislation and contemplates various forms of collaboration.

Rural development is one of the goals included in the plans for the next phase of structural funding for the period 2007-2013], and farming is identified as one of the vital factors in this development – a business that should be competitive and be able have a place in the global market. In this light, diversification of unadulterated farming activity (production and breeding), into other sectors – hospitality, the restaurant trade,

amusement and sport – should be viewed as business opportunities to expand the potential income of the farm.

The current initiative, which is the sequel to an earlier and more specific proposal entitled “*Co-operatives: Prospects in the Balkans*”, decided during the Forum held in Neum – F BiH in 2004 and carried out with huge success (see Final Agriculture table Document 2004 and the dedicated report on activities carried out).

The project “*Exchanging know-how – proposals for the Balkans*” has been organised in two sections. The first is theoretical, based on a follow-up course consisting of three modules: community, business, renewable sources of energy, and a practical section consisting of visits to commercial enterprises in the agroalimentary sector which can function as good models for business management (for further information, please refer to the attached programme). More specifically, the theoretical part of the seminar approached the following subjects:

Community module: total of 4 hours

- Aim: European and inter-regional collaboration IV C 2007-2013: opportunities for funding for Balkanic countries; lecturer: Di Marcoantonio, (Lawyer) 2 hours
- Multifunctional capacity: multidimensional businesses, from raw materials to final product, access to markets; lecturer, Dr. Arzeni (INEA) 2 hours.

Business module

- Company organisation: forms of association, capabilities of the businessman; lecturer Dr. Carlo Carletti Regional CIA; 2 hours
- Storing produce for distant markets: obligations and opportunities; wine and olive oil, producing sectors; lecturer, Dr. Tonino Cioccolanti, Chairman AIOMA, 1 hour
- Manufacturing and marketing products under corporate names (brands, certification, etc.), and maximising them; oil and wine producing sectors; lecturer Dr. Tonino Cioccolanti, Chairman AIOMA, 1 hour

Renewable sources of energy module; total 4 hours

Renewable sources of energy: presentation of basic concepts; lecturer: Dr. Montesi, 2 hours

- Various aspects of renewable forms of energy:
 - Photovoltaic installations
 - Solar heat
 - Wind energy
 - Geothermic sources
 - Minihydraulics
 - Other sources

- Various forms of agro-energy: how to produce biodiesel, bioethanol and biogas: technological and financial aspects CASE STUDIES
 - Energy saving technical management instruments
 - Biomasses: financial and social perspectives; lecturer: Dr. Quarchione, Chairman Legambiente Marche, 2 hours
 - Problems raised by participants in the course, and analysis.

The follow-up course was very successful, and the modules on European policy and sources of renewable energy were most appreciated. They provoked long, heated debates on the subjects that were discussed (anyone interested in the details will find a copy of the handout for the course attached hereto).

The afternoons of 20, 21, 22 and the whole of 23 March were dedicated to site visits to some of the most successful agroalimentary businesses in the region, giving participants in-the-field tutoring and the opportunity to see how some of the most important agroalimentary businesses in the Marche really function.

On the afternoon of 20 March, the group visited the organic co-operative, Terra e Cielo, the first business to be awarded the “MARCHIO BIODINAMICO SULLA PASTA” award, and now the leading exporter of organic pasta in Europe. Early on, company policy was aimed mainly at organic methods of farming, and later, as a result of difficulties and the uncommercial merits of managing two fronts (organic and biodynamic for raw materials and final products), at using and implementing rigorous organic farming methods for all members of the co-operative.



Photo 1: The “Terra e cielo” co-operative – approved by the regional authorities of the Marche. Photo 2: The “Terra e cielo co-operative”.

The evening ended with an excellent dinner at San Settimio, an enchanting estate spread over 400 hectares, situated 30 kms from Senigallia in the spectacular hinterland of the Marche, close to Palazzo di Arcevia. The estate consists of houses, skilfully restored, and equipped with all comforts where every single detail contributes towards an air of charm and romance. The accommodation (rooms and apartments) are in stone-built houses spread over the estate in unpolluted ancient woodland. Internal décor and furniture give off the charm of authentic age, where elegance and hospitality come together. The Agriturismo is managed in person by the proprietor, the eclectic “artist” Francesca Romana Bartoletti, and is multifunctional. The main facilities available include: horse-riding, tennis, table football, swimming pool, mountain-biking, playing field for children, off-the road driving, and Quad driving, equipped health centre, meditation centre, and a technologically equipped conference room where our follow-up course was held. The many activities that the estate organises made it possible for the participants in the course to have an insight into the complexities of organising a company where all the yields of the estate are processed by them directly, in other words there are no processes between producer and consumer.



Photo 3: San Settimio – a room..



Photo 4: San Settimio Estate..

The afternoon of 21 March was spent visiting two important factories in the agroalimentary sector – Perialisi and Cooperlat. The first was chosen for its industrial production of farming equipment, and the important role it plays in the olive production industry in the world, (75% of oil making machinery produced in the world is made by the company). The second was chosen because of its prominent position in milk and cheese production, and for the variety in the range of its products. (Cooperlat is the leading company in the dairy and cheese-producing sector in Central Italy).



Photo 5: Inside the COOPERLAT co-operative.



Photo 6: The regional enoteca (wine cellar) in Jesi.

The afternoon was spent pleasantly in the historic centre of Jesi, where a major project of relaunching the urban area is coming to an end, and ended with an interesting tasting of locally produced wines (mainly Verdicchio and Rosso di Conero), offered together with typical produce of the area. The tasting took place at the Regional Wine Cellar (*enoteca*) in Jesi, and was led by an expert sommelier who praised the qualities of the main product of the Castelli di Jesi: Verdicchio. The visit was made possible with the help of Assivip which took care of the selection of wines and the cheeses to go with them.

The visit was an introduction to combining wines with food, two words that accompanied us during a typical dinner organised by the international cookery school, *Italcook* of Jesi, in an elegant Renaissance room.

During the course of 22 March, two more important wine-producing businesses, Moncaro and Sartarelli, were visited. The visitors were shown around personally by both Dr. Marchetti (Chairman of Moncaro) and Donatella Sartarelli (Administrator of Sartarelli). Both companies produce wines that have won awards and international recognition.

The gala dinner at the *Busche*, an excellent restaurant famous throughout the Marche and Italy, proved most important. Guests included Raffaele Bucciarelli, Chairman of the Regional Council; Dr. Mariano Marchetti; representatives of the Chamber of Commerce; Secretary Dr. Michele de Vita and representatives of some of the companies that were visited. The dinner provided the occasion to discuss several proposals for future projects of cross-boundary collaboration and for business people on both sides of the Adriatic to form firm contacts with each other.

The programme for the last day included a visit to the Communal Stable at Serra de' Conti, remarkable for the commitment they have given to wholly organic and non intensive breeding, and for the high quality of the milk they produce. The relationship between suppliers of co-operatives was shown to be an important consideration. Indeed, as was explained during the visit, the "raw materials" of Cooperlat are bought from the Communal Stables.

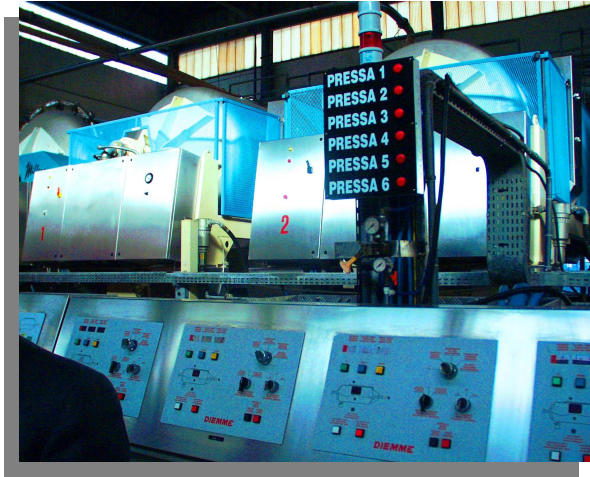


Photo 7: An installation at MONCARO.



Photo 8: The Communal Stable at Serra de' Conti.

The visit to Rosini, the olive oil producer, was interesting, and demonstrated the art of producing olive oil, a craft which is characteristic of the product, and is a combination of family tradition and high quality product.

Lunch, after a lovely walk in the Conero Park, was at the beautiful Moroder estate, a fine *agriturismo* which also produces high quality wines. Moroder and his son presented their business, and showed us their eighteenth century cellar where special vintages of the best Rosso Conero are stored. The visit ended with lunch that was most appreciated by the foreign visitors, who also found the combinations of food and wine suggested by Signor Moroder himself most agreeable.



Photo 9: Cellar at the Moroder Estate.



Photo 10: Lunch at the Moroder Estate.

The meetings described in this report were important opportunities to compare notes, and personal and national experiences in the farming and agroalimentary sectors. In view of the constant march of the countries in the areas in question towards membership of the Eu, the meetings proved to be a viable source of information for future strategies and approaches to adopt in this new international context.

By DAVIDE BERLONI