FAO/EBRD Cooperation: Supporting sustainable value chain integration in Montenegro’s fruit and vegetable sector

Knowledge exchange to Italy: Best practices in supplier-retailer relations, logistics management, and product packaging in the fruit and vegetable value chain

29 October - 1 November 2019
# Table of Contents

Acronyms .......................................................................................................................... 3

Background ............................................................................................................................ 4

Knowledge Exchange Activities.......................................................................................... 5
  Tuesday, 29 October ........................................................................................................... 5
  Wednesday, 30 October .................................................................................................... 7
  Thursday, 31 October ....................................................................................................... 12

Discussion on the program and the way forward .................................................................. 18

Annex 1: Agenda .................................................................................................................. 21

Annex 2: Company Profiles ................................................................................................ 23
  COOP ITALIA ................................................................................................................... 23
  FICO EATALY WORLD ................................................................................................. 23
  CONAD ............................................................................................................................ 24
  FRUTTAGEL .................................................................................................................... 25
  AGRIBOLOGNA .............................................................................................................. 27

Annex 3: List of participants ................................................................................................. 31

Annex 4: Evaluation responses ............................................................................................ 32
<table>
<thead>
<tr>
<th>Acronyms</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>EUR</td>
<td>Euro currency</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations</td>
</tr>
<tr>
<td>F&amp;V</td>
<td>Fruit and Vegetables</td>
</tr>
<tr>
<td>EBRD</td>
<td>European Bank of Reconstruction and Development</td>
</tr>
<tr>
<td>HORECA</td>
<td>Hotel, Retail and Catering sector</td>
</tr>
<tr>
<td>IPARD</td>
<td>Instrument for Pre-accession Assistance for Rural Development</td>
</tr>
<tr>
<td>MARD</td>
<td>Ministry of Agriculture and Rural Development</td>
</tr>
<tr>
<td>MRL</td>
<td>Maximum Residue Limit</td>
</tr>
<tr>
<td>PO</td>
<td>Producer Organization</td>
</tr>
</tbody>
</table>
Background

The Food and Agriculture Organization of the United Nations (FAO) and the European Bank of Reconstruction and Development (EBRD) are implementing the project “Supporting sustainable agrifood value chain integration in Montenegro's fruit and vegetable sector” in collaboration with the Montenegrin Ministry of Agriculture and Rural Development. The aim of the project is to improve linkages between fruit and vegetable producers with buyers (e.g. processors, retailers, wholesalers, importers/exporters and other aggregators/off-takers) through consolidation of supply and upgrading of quality standards; to support increased integration and sustainability of the value chain and support the adoption of international best practices to increase food quality standards and ensure supply reliability. In this context, as part of the capacity building component, the FAO and EBRD organized a knowledge exchange to Italy on Best practices in supplier-retailer relations, logistics management, and product packaging in the fruit and vegetable value chain. The knowledge exchange was held between 28 October and 1 November in Bologna, Italy. The knowledge exchange aimed to achieve the following objectives:

- Observe best practices in producer group organisation and aggregation though agricultural cooperatives and Producer Organisations (POs);
- Observe best practices in value adding through improved packaging of fresh produce and processing into juices and other products;
- Learn from Italian experience in producer-retailer relations - including contracts and logistical arrangements - from the viewpoint of both producer groups and retailers;
- Learn about the strategies the Italian retailers employed to respond to changing consumer preferences, increased competition in the retail industry as well as more stringent regulations (including food safety) and how this impacted producers;
- Building on lessons learned during the knowledge exchanges, provide feedback on the draft EBRD/FAO guidelines “Orienting farming, production and retail towards the modern market” to ensure relevance and usefulness in the context of Montenegro.

The itinerary included visits to retailers, cooperatives, associations, consortia, as well as agricultural producers. Agenda in Annex 1 and company profiles in Annex 2.

Nine participants attended: 6 representatives of producers/producer groups; 2 representatives of food retailers; and 1 representative of the Ministry of Agriculture and Rural Development of Montenegro. Participant details in Annex 3.
Knowledge Exchange Activities

Tuesday, 29 October
Coop Italia, located at Legacoop office, Viale Aldo Moro 16, Bologna  https://www.e-coop.it/

- **Mr Germano Fabiani**, Fruit and Vegetable Procurement Manager Coop

The delegation had a meeting and presentation with Mr Fabiani where they were introduced to Coop Italia, the 2nd largest retailer in Italy with 20% of the market share.

Coop Italia is a system of Italian consumers' cooperatives, which operates the largest supermarket chain in Italy, with an annual revenue of 13.4 billion EUR. Its headquarters are located in Bologna. Coop Italia has about 1,500 shops, which are located in 18 out of 20 regions in Italy. It employs about 53,000 people, and has about 6.4 million members. The goal of the cooperative is to ensure consumers can have access to high quality and acceptably priced food. The delegation perceived Coop Italia as an unusual concept as Coop Italia is a cooperative of consumers rather than a cooperative of producers - a concept more familiar to Montenegrin delegation.

Coop Italia's key characteristic is the focus on the socio-economic factors, including environmental and ethical/moral codex. Specifically, Coop Italia focuses on selling Italian-produced products so that approximately 87 percent of fruit and vegetables sold are of **Italian origin**. This is a very large percentage as the 13 percent of goods that are imported include bananas, pineapple and other tropical fruits that cannot be grown in Italy. Other retailers rely more on cheaper imports e.g. from Spain. About 40% of the products are private label, and there are different levels of quality within the private label, but they all convey the following characteristics:

- **competitively priced**
- **transparency**: traceability information on the supply chain from the producer to the consumer
- **ethical**: the product respects the rights of workers
- **ecological**: conscious efforts minimize environmental footprint i.e. less plastic in the packaging

In terms of sourcing, the COOP model exhibits the following:
- Pesticide residue levels must not exceed 30% of the legally acceptable Maximum Residue Limits (MRLs). This requirement is more stringent than the EU level requirements.
- All F&V must have good traceability.
- GMO products are not accepted.
- Packaging is done by producers and not by cooperatives. Coop Italia authorizes the packaging and discusses the price with the packaging suppliers.

On relationships with producers:

- For evaluating a new relationship, the quality of a production is given by three indicators that measure satisfaction: quality, price and service.
- There is a strong collaboration with between the buyers and producers. Quality managers are responsible for transmitting skills, learning a new production method and teaching in the area concerned.
- Payment to producers follows Italian law, i.e. within 30 days after the issuance of the invoice, maximum 45 days.

Mr Fabiani's suggestions for Montenegrin delegation:

**FOR THE RETAILERS:**

- Assortment and diversification of product: Offer the consumer not one kind of carrot (for example) but 2 or 3 (different size, different packaging, different quality or weight or origin)

**FOR THE PRODUCERS**

- Small producers must come together, do business together because retailers must provide services and not just products (packaging, types) because the quality of the service will always increase.
- Montenegro is growing a lot and you have to think to the sensibility of the international tourism, because the tourists who come to visit your country will have different eating habits, different need and you will have to be able to satisfy the greatest number of people if you want to acquire your part of the market.

*Coop Italia hypermarket, IPER CENTRO LAME, Via Marco Polo 6, Bologna*

The delegation had a guided tour of the Coop hypermarket, which included visit to the F&V section as well as sections selling juices, jams and olive oil. The delegation could see that Coop made a significant effort to offer a very wide range of products to meet different consumer demands e.g. fresh produce sold loose and packaged, conventional and organic products, ready-made salads etc. One important point raised was that there is increasing movement to reduce plastic and instead utilize more environmentally friendly packaging, which means that the current displays could look quite different in a couple of years.
FICO Eataly World, Via Paolo Canali 8  
https://www.eatalyworld.it/en/

The delegation had a guided tour of FICO Eataly World, which aims to tell the world about Italian excellence from field to fork, through a 20,000 sqm agri-food farm and market on the outskirts of Bologna. FICO Eataly World is a training ground for a sensoral and educational experience about food and biodiversity. Hundreds of small and medium-sized Italian businesses showcase their products and production technologies in small factories located within the facility. It was a great opportunity for the delegation to see the entire value chain in action, as well as the benefits of aggregation and improving quality. The processed fruit and vegetable products also gave the delegation some inspiration in terms of packaging and labelling. In addition to the guided tour of the whole facility, the delegation also took part in a hands-on quality assessment that could be adapted to their consumers through tastings of olive oil (Olio Roi) and wine tasting (Fontana Freda).

Wednesday, 30 October  
CONAD hypermarket, IPER CONAD, Via Larga 10

- Mr Gerardo Paoletta, Fruit and Vegetable Manager, CONAD Italia

The delegation had a comprehensive tour of the CONAD hypermarket, which included a tour of the F&V retail section as well as the delivery and store area at the back. CONAD also highlighted that they focus on selling Italian-origin products and ensure that imports do not exceed 30% of the total F&V sold. Some of their stands also highlight specific regions e.g. Sicily. Like Coop, it has its own standards - developed/enforced by its office for quality control.

The delegation was able to see the linkage to the Fruttagel cooperative (see next visit), as they are Conad’s biggest supplier of the organic f&v products – both branded as Almaverde Bio and private label. Additionally, when the delegation toured the warehouse loading dock, they were able to see differentiation and labelling strategies of apples linked to territory, which is relevant to Montenegro because of their abundance of apple varieties.

In terms of sourcing, the CONAD model exhibits the following:
• Producers and suppliers must comply with strict quality specifications for the private label, CONAD directs the producer on what and how to produce.

• On traceability, there is a series of controls that guarantee product safety.

Mr Paoletta’s advice for the delegation:

FOR THE RETAILERS:

• Visual marketing is a priority, important to identify the best positioning to increase sales

• Conad has chose to have open spaces where the customer can identify immediately the area of interest more easily and quickly. There are two frontal areas where the most important products of the season are placed.

FOR THE PRODUCERS:

• Important to increase quality because “if you are good the customer will buy it even if he will spend more” and the farm income is higher.

• Aggregation is key— a small producer will never be able to guarantee to the retailer the supply of products with continuity or be able to carry out the required preparations because economically it would be not sustainable.

• The market will continue to evolve, food habits will change and we should be ready, both as supermarkets and producers. Those who will be flexible and will want to change to meet market demands will survive otherwise they will close.

Fruttagel Cooperative and Processor  https://www.fruttagel.it/en/

• Ms Aurora Liverani, export department
• Mr Alessandro Pedrini, marketing department

Ms. Aurora Liverani and the team introduced the delegation to Fruttagel. The presentation was followed by a comprehensive tour of the production facilities.

Fruttagel - a second level cooperative - was founded in 1994 when the Alfonsine plant in Ravenna was established. It combines the legacies of two important players working together in the field: Ala Frutta, a cooperative founded in the early 1960s, specializing in the processing of fresh fruit for the production of fruit juices in glass, and Parmasole, a leader in tomato processing and pioneer of cartoned juice production. Currently, the cooperative has 17 cooperative members/shareholders from whom it sources 95% of raw materials. It focuses on adding value to members and integrates and enhances all stages of the supply chain e.g. provides seeds to producers from whom it later on buys the final product, to
guarantee the end consumer with foods that keep the properties of the fresh product intact, respecting quality, authenticity and safety.

Fruttagel brings together 17 agricultural cooperatives in the Emilia-Romagna and Molise regions, along with Co.ind, an industrial cooperative company specializing in the design, supply and development of private label products. Agricultural cooperatives, which supply raw materials for processing, unite hundreds of producers.

Concerning frozen products, Fruttagel follows the whole chain from the seed to the finished product, acts as a connector between the final market and the producer and organizes all the production. In 2018 they installed the first direct grain extraction plant.

Fruttagel plans production each year based on previous years trends and market demands. Fruttagel has several brands including:

- Sapori - fruit juices.
- Almaverde bio - organic fruit products. Established in 2000 as a coonsortium that unites 10 Italian agro food organizations.
- Sucor - long life products dedicated to foreign markets.
- 40% of products are private label i.e. Coop, CONAD.

**Private Label (Innovation, Convenience, Quality)**

For the private labels of their clients, Fruttagel produce:

- nectars made from apricot, peach and pear, made with Italian fruit, both grown with the conventional method and with the organic method
- fruit drinks, both conventionally and organically grown
- 100% fruit juices obtained both from concentrate and from a mix of fruit purees and concentrates
- teas in classic flavours and a decaffeinated version

To meet specific consumer targets and the needs of their customers, alongside traditional recipes they develop products that can meet the needs of end consumers who are increasingly attentive to their health and well-being, such as low-calorie and low-sugar drinks, enriched with vitamins, fibres, salts, minerals, and without added sugars.

Among the most innovative solutions, the Research and Development team develops functional drinks based on a mix of fruit, fruit and cereals, fruit and vegetables or fruit and spices.

Their nectars, fruit juices and drinks, and teas are available in the following packaging:

- PET bottle (250 ml, 500 ml and 1000 ml)
- 200 ml glass bottle (single piece or 2 piece cluster, in 250 ml and 700 ml formats)
- 125 ml carton, single piece or 3 – 6 piece cluster
- 200 ml carton, in 3 – 6 piece cluster
- 750 ml carton with lid
- 1000 ml carton with lid
- 1500 ml carton with lid

Ms Liverani advised the delegation that customer service is a key aspect of building profitable and sustainable relationships. Some examples that the delegation saw were research and development in meeting clients needs, as well as innovative and flexible packaging and labelling to respond to and anticipate market demands and operate responsibly towards stakeholders and the environment. For example, the vegetables that are processed and packed, mainly of Italian origin, and are grown both with integrated production methods and with organic methods and are also available in **fully compostable packaging**, i.e. OK COMPOST-certified in accordance with the UNI EN 13432: 2002 standard established by TÜV Austria. This is environmentally friendly packaging **made of bioplastic that can be disposed of in the organic waste collection boxes**.

For Fruttagel, *quality* means integrating the work of all those involved in the various phases of the agro-industrial chain – production, processing, distribution, preparation and consumption –, implementing operating procedures that guarantee the wholesomeness of food and systems capable of monitoring correct procedures.

Their qualification process begins with the selection of farming areas and then the selection of the best varieties of seeds. To monitor and guarantee quality, each year they carry out over 400,000 internal analyses and 3,400 external analyses of their products. For each of these, and for each customer, they perform different procedures, notably:

- **fruit** (peach, apricot, apple and pear): monitored from receipt to final processing;
- **tomato**: for organic cultivation, sampling involved 100% of the product during pre-harvesting; for the cultivation with integrated production the sampling percentage varies according to the customer’s specifications;
- **frozen vegetables**: sampled at different vegetative stages or processing steps.

Fruttagel also presented a successful model of sustainability that is integrated in every aspect of their production. For Fruttagel, *sustainability* means acting on several fronts, with the understanding that development cannot be separated from social, as well as economic, growth, and that goes hand in hand with protecting the environment. For this reason they consider Corporate Social Responsibility an essential element of being a cooperative enterprise and of their actions within that scope.

They have been reporting their activities in the field of *Corporate Social Responsibility* since 2006, when their first *Social Report* was drawn up, and it has been enriched year after year with new chapters and sections. Alongside our 2014 report, they started working towards moving from a Social Report to a *Sustainability Report*, with a more precise identification of areas and policies to be submitted to the attention and involvement of their main stakeholders.
The educational project

For people of Fruttagel, working with a sustainable development perspective means promoting proper nutrition and sustainable lifestyles among the younger generations. These principles distinguish their business activity both on the production front and in the relationship with customers and consumers and guide the promotion of projects dedicated in particular to the new generations.

With the initiative “From the field to the school desk with Ortilio”, aimed at primary schools in Alfonsine and Ravenna, we support the adoption of healthy lifestyles and correct and balanced eating habits among the younger generations and in families, enhancing the quality and genuineness of the food supply chain and promoting environmentally friendly behavior.

The course provides a series of educational experiences for the classes, developed in line with the national indications for the primary school and the Education Provision Plans (POF in Italian), and the possibility of participating in an educational competition dedicated each year to a different theme, linked to the environment, to proper nutrition and to healthy and sustainable lifestyles. The project, launched in 2014, involved over 420 classes of students in the area. This could be a good model in Montenegro, especially in complement to the school and institutional procurement measures.
Thursday, 31 October

Coldiretti - agricultural producers’ association, Via Galleiera 26, Bologna, [https://www.coldiretti.it/](https://www.coldiretti.it/)

- **Mr Sergio Tardani**, coordinator of Coldiretti for the Emilia-Romagna Region

The delegation visited Coldiretti, which, with its 1.6 million members across Italy, is the largest association of agricultural producers in Europe. At the base of this project Coldiretti aims to:

- act as a social force representing the interests of the agricultural world in a perspective of country stability;

- develop a new relationship, of harmony and compatibility, between agricultural policy and economic policy and the implementation of profound structural reforms in agriculture in the fields of taxation, credit, the economic organization of products, the labor market and infrastructure. Alongside the action of economic and social promotion, Coldiretti provides its associates with qualified services to companies in the production and marketing phase of the products: legal, tax, and tax consultancy that make use of highly specialized professionals.

The delegation also learned about the Campagna Amica program - which was presented at Coldiretti premises and subsequently through a visit to one of the Campagna Amica Green Markets located in the city center. The importance of agriculture was highlighted not just in terms of food production but also tourism i.e. tourists visit Tuscany because of the beauty of rural/agricultural landscapes and food on offer (gastronomy) - without agriculture, there would be no tourism to that region.

Campagna Amica is a foundation established in 2005 with the aim to provide an alternative avenue for producers to sell to consumers i.e. directly through sales via Campagna Amica green markets. The project aims to:

- encourage local development, enhancing the resources available to protect the environment, take care of the landscape and improve the quality of life in the countryside.

- Open businesses to consumers and bring the city closer to the countryside, also through initiatives that involve schools, training institutes, the world of culture;

- Protect the quality of the products, favoring all the initiatives that guarantee the consumer and facilitate his freedom of food choice (transparency of labeling, guarantees on the origin of food, supervision of advertising of food products);

- Promoting typical products and made in Italy food, as an economic resource, but also as a fundamental expression of identity.
This helped to achieve two aims: 1) higher returns to farmers (it is difficult to compete against cheaper imports on retail space) and 2) to develop trust between a producer and consumer. The initial campaign highlighted the Italian origin of products - which is sometime more expensive than imported products. The consumers responded well to Campagna Amica green markets which led to development of a network of green markets and a national Campagna Amica promotion throughout Italy. In addition to green markets, Campagna Amica organizes a number of other events and activities including different manifestations in the centre of Bologna so that consumers can learn about the role of agriculture in society as well as cooperation with various institutions such as schools to promote activities of pupils on agricultural farms. Only members - who pay 20 EUR p.a. to be part of the Campagna Amica - can participate in Campagna Amica events. Campagna Amica has certain requirements related to food safety and quality, as well as product origin (i.e. a farmer can sell only products produced on their farm), that producers need to meet to participate in the program. Efforts to support farm diversification / multifunctionality and a law enabling the processing and sale of own products, helped increase farm revenue as well.

Campagna Amica Green Market, Bologna

The delegation also visited one of the Campagna Amica green markets, located in Bologna city center. The green market was relatively small, with approx. 5 exhibitors, but included a range of products including F&V, cheeses and honey products. The uniformity of this market approach is a great example of producer organization that could be easily applied in the Montenegrin context. The different producers who were interviewed spoke of the challenges to face the evolution of the market while remaining small producers. One way to achieve this was to diversify their production, but at the same time maintain traditions while innovating.

AZIENDA AGRICOLA. MORARA ANSELMO E CAVALAZZI RAFFAELLA S.S.

- They produce fruit all year round and apply the method of integrated pest management
- They are Global Gap certified and this allows them to sell many more products because they are guaranteed by strict rules
- In their artisan laboratory they produce fruit juices and jams

IL MIELAIO DEL GUELFO Honey Producers

As traditional honey producers, the small family farm innovated and diversified their offer with different honey products.

- with honey and propolis they produce throat remedies,
- with forest honeydew and propolis, a product is obtained to increase the immune system
• with royal jelly extracted in part from the hive in collaboration with another producer, natural cosmetics are made in addition to other products such as argan oil, bee venom
• propolis, lime and ginger candy and other products
• in their internal pastry workshop they produce biscuits, whole and normal croissants, using coriander honey which makes the products more digestible

FUNGHI VALENTINA

The farm offers organic fresh mushrooms and other processed specialities.

ORGANIC FARM BORDONA

Historic mountain company that has been taken over by the owner and transformed into an organic farm that produces fresh and aged organic cheeses, yoghurts, fruit and vegetable preserves and PGI chestnuts from Castel del Rio. They have 55 cows with non-intensive breeding, organic fields for grazing, they have a dairy and sell only the company's products.

Agribologna Consortium, Via Paolo Canali 16, Bologna, https://www.agribologna.it/

• Ms Beatrice Pulz, export department
• Mr Gianfranco Ferrari, operations
• Mr Valentino Chiari, quality manager

Agribologna Consortium was formed in 1989 by fruit and vegetable cooperatives to give a competitive advantage to associated cooperatives, which includes 185 associated farmers located in 9 regions of Italy, with production on 3,100 ha of land, 21 refrigerated platforms throughout Italy, 2,500 customers (HoReCa sector), 220+ employees. Agribologna has became the organizational, programming and marketing tool for the products delivered. Agribologna is also involved in import-export: imports are done to ensure continuity of supply.

The Consortium sells 190,000 tons of products annually under three recognizable brands:

1. Pellerossa - eco-friendly tomatoes produced without chemical treatment and using environmentally friendly technologies e.g. corn-fuelled plants.
2. Le officine della terra - partnership with friend farmers.
3. Conor fresh F&V distribution - focus on food service and catering i.e. distribution channels, other than retail, which require a high level of service.
The Consortium has a special focus on soil care, food safety and quality, traceability. Agribologna helps producers to modernize production as well as to plan production to meet market demand and achieve competitiveness. The aims are to:

- keep the value chain at the home of the producing partner as much as possible
- helping individual producers to structure themselves internally, also taking advantage of European funding that exists in agriculture; the diversity and the anomaly compared to the rest of the Italian panorama, is that 90% of the product is already packaged and ready for sale at the partner’s home.

Agribologna finalizes packaging at the packaging facility in Bologna. Some packaging also includes the picture of farmers and the location of their production. This helps connect the producer with the consumer. Overall, consumers prefer and will buy Italian origin products even if the domestic products are slightly more expensive than imports. Some of the latest packaging is eco-friendly i.e. biodegradable packaging is used for salads. Other innovative technologies in juice production are also implemented e.g. high pressure juice production to kill any bacteria. These juices has a shelf life of 45 days. However, this equipment is costly - approx. 2.5 million EUR.

**On traceability:**

The Montenegrin delegation saw innovation in traceability and logistics at the Agribologna warehouse. Visit focused on the process of conferring the member with all the traceability and the various steps up to the exit of the product. Often the product is not stationed for more than 24 hours and sometimes, and as far as the salad is concerned, it is cut in the morning and by 5pm for supermarket distribution platforms while a vegetable can take 24 hours. Here there is no storage, it is produced, delivered and sold.

The members deliver the product that is controlled by the operator that unloads it, and then verifies its quality, weighs it and inserts the data into the system.

**PRODUCT TRACEABILITY IN THE WAREHOUSE** identifies:

- name of the member,
- date of arrival,
- time that it was checked and weighed,
- product code (alphanumeric) able to identify the field lot and where it is processed until the planting, fertilizations and treatments registered in the Field record

In the same plot, a farmer can do 6/7 plantings and registers the chemical treatments for each planting in the field record, and monitors the residues as requested from the customers/retailers to guarantee the food safety. When the product is delivered to the Cooperative, it is checked and weighed. In the software
platform, it is easy for the operator to manage the storage or packaging of products ready to be loaded and delivered to the customers/supermarkets.

**Traditional distribution channel**

Born from a traditional fruit and vegetable market, where generations before used to bring freshly harvested fruit and vegetables to sell them to the retailer and the wholesaler, Agribologna still is a major presence at the wholesale market. They have the largest stand at Bologna wholesale market (CAAB): 3.400 sqm surface to yearly move 240.000 q of product, Every day they reach a peak of 1,900 q.

**Modern distribution channel**

Agribologna Logistic Platform yearly markets 245.000 q fresh fruit and vegetables with a daily peak of 1.300 q. The production staff operates in an equipped room, with 10 automatic lines used to process and package the goods for major retailers.

*CAAB Wholesale market, Via Paolo Canali 16, Bologna*

The delegation visited the wholesale market and had an informative presentation with Mr Valentino Chiarini, Quality Manager of Agribologna. The wholesale market operates at night, between 1:30 am and 6 am, so it is closed during the day. The participants could see that Agribologna has the largest sale area in the market, devoted exclusively for Agribologna consortium members. In addition to dedicated sale areas, there was one general area for sale that could be used by farmers that do not belong to an organization with dedicated space on the market.

*Tonelli farm owned by cooperative member near Bologna*

The delegation visited an agricultural farm owned by Marco Tonelli where they could see Marco’s products sold to consumers directly on the farm (in a covered building, which includes a packing room and cold storage). In addition, participants saw the wide variety of machinery (old and new) owned by the farmer. The farmer noted that he sells some product lines, with larger quantities, to Agribologna while a wide range, but smaller quantities, of F&V are sold on the farm. This concept of farmgate sale was interesting to participants and some (like Raspopovic) might consider this as an option on their farm/facility.

Farm facts:

- The farm produces 15/20 items: 3 supplied to Agribologna and the other are sold directly in the farm.
- Total surface: 23/24 ha, of which about 12 ha cultivated at vegetables
- Products: fruit, vegetables, cereals, and intensive crops used as rotation (wheats/vegetables)
- The farm produces about 1 ha of asparagus but only for direct sales
- Employees: 8/9 people working in the company
- The farm has 23/24 greenhouses producing from March to April with the start of the new campaign
- Production period: from late March to late November (the coldest months the farm doesn’t produce)
Discussion on the program and the way forward

At the end of the formal program, participants discussed impressions and lessons learned from the study tour and what actions should be implemented in Montenegro. Evaluations were also carried out and the full report is in Annex 4.

The following were noted:

On producers’ actions

- Farmers need to aggregate production and form producer groups - such as associations, cooperatives and Producer Organizations - to ensure their competitiveness. The groups need to work in practice and not just exist on paper - which is mainly the case in Montenegro. Some do not operate at all (especially associations) while cooperatives (including Dejan Jovovic's cooperative in Danilovgrad) are not fully realizing the potential of a cooperative (it lacks a Director and products are not aggregated and sold through a cooperative but rather though an individual farm). The idea is to become self-sufficient in terms of managing and administering a collective activity, be it an Association or Cooperative.

- There is strong interest and plans to form a cooperative in Kotor (olive oil) as well as in the north (raspberry). Support is needed in this process.

- Opportunities for cooperation exist within the group and such ideas have been discussed by participants e.g. raw fruit and vegetables to be supplied by farmers to a processor who would then make juices and sell to a retailer (e.g. Idea).

- Need to identify the right organization type for your needs and your objective.

- Be smart about what you want to achieve, then find the means. Need to have a clear vision – what is the correct means to organize based on this vision.

On retailers’ actions:

- While pre-packaged fresh F&V products have become increasingly popular, there is now a push to utilize less plastic. Attention is now being given to different types of environmentally friendly packaging e.g. biodegradable (as was seen in Agribologna).

- Develop private labels with cooperatives/associations, clearly highlighting the quality and domestic production.

- Consumers need to be able to clearly identify domestic production vs imports and make an informed choice whether to buy local products (which may be slightly more expensive) or cheaper imports. Packaging with pictures of domestic farmers can help in this recognition and connection between local consumers and producers. Both producers and retailers present the delegation are keen to explore such opportunities in the future.

- Retailers can do more to promote domestic production e.g. Idea already has a program "Ukusi moga kraja", which is focused on a processed product - a similar approach could also be applied to fresh F&V. Both Idea and Franca plan to delineate local vs imported products.
• More effort needs to be done to better plan and market production so that farmers can ensure continuity of supply. The role of the cooperative, in cooperation with the retailer, should be to better plan production to avoid the situation when everything is harvested over a small period of time when prices are low. Cooperatives should use a mix of varieties to spread harvest period.

On MARD support:

• MARD should continue to strengthen farmers by providing support to increase competitiveness, investment in primary production or processing, modernization of production, including the shift from intensive production to extensive production and in addition, **quality**. Focus on quality-- including schemes such as organic and GI and national recognition of products that are higher quality and locally and/or traditionally produced.

• There is a need for greater and more constructive public-private dialogue between MARD and farmers so that both parties can improve the understanding of issues and constraints from both ends and to therefore come up with viable solutions. MARD should try to understand issues that all farmers face (not just of those farmers that frequently visit and talk to MARD staff) and to be more responsive to farmer needs e.g. respond more quickly to issues faced by farmers (e.g. potential disease noted in plantations) as well as with respect to timelines for approval of various funding. A good way to do this would be to visit (random) farmers on their properties to discuss issues facing farmers.

• Further increased awareness is required, also from the Ministry, so that small farmers in Montenegro realize that they cannot survive alone in the market place, especially when Montenegro joins the EU. Montenegro already has a solid legal basis to form cooperatives, associations and Producer Organizations. So far, there has been no interest to form Producer Organizations, despite the fact that MARD has support available for initial establishment.

• Further training is needed on the formation and management of various producer groups as well as access to IPARD funding. Potentially, MARD could consider to encourage cooperation through other budget lines e.g. access to funding of machinery (a popular budget line) could be restricted or prioritized (at a certain % of the overall funding available for the budget line) to members of a cooperative or a Producer Organization.

• Various procedures could be made electronic e.g. to complete electronic forms, so that entered data could also be checked/accessed by the producer who entered it. This also eliminates applicant’s doubts of subjectivity by MARD. Electronic is concrete and objective.

On Access to Finance:

• Procedures for accessing IPARD funding need to be simplified (if this is permissible by EU rules). Several farmers noted that they waited too long to access funding (2+years) or that they have been rejected for administrative reasons. Procedures for accessing Agrobudget support are already simple but some issue have been noted regarding timelines and transparency, which may favor certain individuals over others.
The point was raised that for start-up farmers it is difficult to access funding as a lot of money needs to be invested upfront to get a subsidy. Start up farmers lack upfront funding and therefore a different approach could be considered to support them compared to established or larger farms.

Capacity needs to be developed for business plan and investment proposal preparations to access funding. There is dissatisfaction in the lack of services available to support producers, associations and cooperatives in this sense. This can be achieved with a training in the FAO developed methodology RURAL INVEST.
Annex 1: Agenda

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mon. 28 Oct.</td>
<td>20.00</td>
<td>Dinner Antica Trattoria del Pontelungo - Via Emilia Ponente 307 - Bologna</td>
</tr>
<tr>
<td>29 Oct.</td>
<td>9.00/9.30</td>
<td>Retailers COOP ITALIA (Retailer – Cooperative of consumers) Meeting with buyer c/o Legacoop Viale Aldo Moro 16</td>
</tr>
<tr>
<td></td>
<td>11.00</td>
<td>Visit to Hypermarket-MALL (IPER CENTRO LAME) Via Marco Polo 3 (con Germano)</td>
</tr>
<tr>
<td>13.00</td>
<td>Lunch Break</td>
<td>Possibility to have a fast lunch inside the mall</td>
</tr>
<tr>
<td></td>
<td>15.00</td>
<td>EATALY (Retailer “Gourmet”) Visit to F.I.C.O. Via Paolo Canali 8 and Meeting with presentation of “EATALY World”</td>
</tr>
<tr>
<td></td>
<td>16.00</td>
<td>Meeting with a producer of Top Quality extravirgin olive oil (OLIO ROI) inside Eataly World and tasting 3 cru and 1 monocultivar Possibility to meet Fontanafredda</td>
</tr>
<tr>
<td>17.00/17.30</td>
<td>19.00</td>
<td>Dinner Inside F.I.C.O. Eataly World (free choice among more than 40 food-points with different Italian specialities)</td>
</tr>
<tr>
<td>30 Oct.</td>
<td>9.30</td>
<td>Retailers and Food Industries CONAD Retailer c/o Iperconad - Via Larga (Consortium of retailers) Visit to Supermarket in Bologna and Meeting with Shop Manager (place to be established) - Presentazione Conad e visita negozio</td>
</tr>
<tr>
<td>13.00</td>
<td>Lunch Break</td>
<td>LE SPIGHE NON SOLO PIADINE - Via Raspona 61 - Alfonsine</td>
</tr>
<tr>
<td>15.00</td>
<td>15.00</td>
<td>FRUTTAGEL (Farmer Cooperative Processed food Fruit juices, canned veg, etc.) Via Nullo Baldini n° 26 48011 Alfonsine (RA) Italy - Meeting with Management Aurora Liverani, Resp. Estero e Alessandro Pedrini, Resp. Marketing (ci accoglieranno)</td>
</tr>
<tr>
<td></td>
<td>20.00</td>
<td>Free at the moment</td>
</tr>
<tr>
<td>Time</td>
<td>Activity</td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>---------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>9.00</td>
<td><strong>COLDIRETTI</strong> - Via Galliera 26&lt;br&gt;Mtng with Reg’n Mgmt - Vis to farmer market CAMPAGNA AMICA in Bologna</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>AGRIBOLOGNA</strong> Horticultural Cooperative (PO) of Farmers - Via Paolo Canal 16 - Mtng with Mgmt and vis to Packing House</td>
<td></td>
</tr>
<tr>
<td>11.00/11.30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.00</td>
<td>Lunch Break&lt;br&gt;To be established (fast lunch in the nearby Shopping Center MERAVILLE - Tito Carracini 57 )</td>
<td></td>
</tr>
<tr>
<td>14.00</td>
<td>Visit to wholesale market (Via Paolo Canali 16)&lt;br&gt;Visit to a Member Farm (accompanied by Mr. Chiarini – Agribologna)</td>
<td></td>
</tr>
<tr>
<td>16.00</td>
<td>30'/45' per arrivare a Podere Riosto</td>
<td></td>
</tr>
<tr>
<td>20.00</td>
<td><strong>Antica Trattoria del Pontelungo</strong> - Via Emilia Ponente 307 - Bologna</td>
<td></td>
</tr>
<tr>
<td>Fri. 1 Nov.</td>
<td>Flight to Montenegro</td>
<td></td>
</tr>
</tbody>
</table>
Annex 2: Company Profiles

COOP ITALIA

COOP ITALIA is a system of associated consumer cooperatives that operates a national retail network, adhering to the League of Cooperatives, with over 8 million consumer members, owners of Coop Italia. The purpose of consumer co-operatives is to purchase and resell quality goods at advantageous prices to their members and, more generally, to consumers in order to protect purchasing power and food security. Each cooperative reserve economic benefits to its members such as discounts on the purchase of products and prizes. The medium and large cooperatives have also activated the social loan, which consists in the possibility of investing their savings in the cooperative to favor their development. The COOP system consists of over 100 cooperatives of different sizes and locations, legally and operationally autonomous, associated in the districts and at national level (ANCC) to share commercial policies, corporate strategies and initiatives in favor of consumer-members. Coop is the 2nd Italian Retailer, with almost 15 billion euros, equal to about 20% of the national market share (ahead of Carrefour, Auchan and Conad). It has over 1,000 stores in fifteen regions, over 50,000 employees. The system consists of seven large cooperatives, five medium and numerous small, divided into 3 districts: North West, Adriatic and Tyrrhenian. Coop Italia adopts a multi-channel strategy, with banner models differentiated according to the size of the stores:

- InCoop: superette (up to 1,000 m²) with a basic food assortment;
- Coop: medium-sized supermarkets (up to around 2,000-2,500 m²) with a vast food assortment;
- Coop & Coop: superstore (from 2,500 to 3,000-3,500 m²) with the presence of non-food items;
- IperCoop and ExtraCoop: hypermarkets (3,000 - 15,000 m²); they represent the top of the offer, with a vast assortment both food and non-food and departments specialized in household appliances, telephony, hi-fi and, in some cases, optics and over-the-counter drugs.

FICO EATALY WORLD

FICO was born out of a passion for the heritage of Italian agri-food biodiversity. In just one place you can learn about the culture, traditions, and craftsmanship that make Italian food the most famous in the world.

20,000 sqm of Italian biodiversity in Bologna – discover the world’s largest agri-food farm! Two whole hectares dedicated to demonstrative fields and stables with more than 200 animals and 2000 different cultivars. The best place to learn the secrets of Italian agricultural and farming traditions. A real “ark” of Italian beauty.

Italian excellence from field to fork. It’s possible to watch the whole food production process taking place inside FICO’s 40 farming factories and consortiums. Discover all the steps of food producing from raw material to final products and listen to the tales of Italy’s best food masters.

At FICO, we can taste the best Italian traditional recipes prepared with fresh and simple, easy ingredients from
FICO’s 40 producing factories, from field to fork.

We find: trattorias, starred restaurants, bistros, and street-food kiosks but also the world’s biggest and most varied Italian farmers’ market. Over 9,000 sqm dedicated to Italian excellent products divided according to the different production chains.

FONTANAFREDDA WINERY

Relying on the most advanced models for sustainable agriculture (organic, integrated and biodynamic), we adopt the agricultural disciplinary guidelines of VINO LIBERO which define the vineyard-cultivation techniques while striving to both reduce the environmental impact and safeguard human health.

Only grapes of “controlled” origin are used at Fontanafredda. The estate vineyards, managed directly by our own technicians, cover a total of about 100 hectares (247 acres), cultivated mainly with Nebbiolo, Barbera, Dolcetto, and Moscato: the typical varieties of the Langhe. This production only satisfies 20% of the business’s yearly needs. Therefore, each year, during harvest, over four hundred local vine growers deliver their own grapes to Fontanafredda, respecting generations-old fiduciary relationships. These grapes are also grown according to the firm guidelines of VINO LIBERO which guarantee zero chemical residues. Thanks to these additional grapes, the company annually crushes about 6 million kilograms of grapes.

FONTANAFREDDA owns 122 hectares (301 acres) of land which are split in this manner:

- 10 hectares (25 acres) on which the village’s and cellar’s buildings lie;
- 100 hectares (247 acres) of vineyards, 78 (192 acres) of which surround the village as one continuous strip of land;
- 12 hectares (30 acres) of woods.

OLIO ROI - IMPERIA

Their production of Extra Virgin Olive Oil derives exclusively from the first cold pressing of the olives of Cultivar Taggiasca, made with millstones. The processing is done without heating the olive paste and without adding hot water to the paste itself and to the oily must, to give ROI’s Extra Virgin Olive Oil a greater bio nutritional, organoleptic superiority and better preservation.

CONAD

CONAD, National Consortium of Retailers, is a cooperative company active in organized distribution. Based in Bologna, it currently consists of 7 cooperatives of associated retailers throughout the national territory. Conad is also present in other Countries: Albania, China, Kosovo, Malta and Republic of San Marino.

The Consortium was founded in Bologna in 1962 by 14 buying groups from northern Italy, as a coordination structure. Around 1973 a brand was defined, as common sales and promotion policy, so as rationalization and mergers of purchasing groups.
Conad also sells fuel with its own brand and has a partnership with Green Network, born in 2003 after the liberalization of the energy market. In May 2019, Conad bought the assets of Auchan Group in Italy (46 hypermarkets and 230 supermarkets), with an investment of 1 billion euros and it becomes the first Retailer in Italy with around 18% of total retail turnover.

The associated cooperatives use the following “signs”:

- Margherita Conad (the smaller superette and the so-called "shops under the house")
- Conad City (superettes and "neighborhood" supermarkets)
- Sapori & Dintorni (High quality supermarkets, located in the main Italian cities of art)
- Conad (medium-sized supermarkets)
- Conad Superstore
- Conad Hypermarket
- Conad Pet Stores
- Conad belongs to the ANCD (Italian Association of Retailers Cooperatives) of the League of Cooperatives

FRUTTAGEL
Fruttagel was founded in 1994 when the Alfonsine plant in Ravenna was established. It combines the legacies of two important players working together in the field: Ala Frutta, a cooperative founded in the early 1960s, specializing in the processing of fresh fruit for the production of cremogenates and fruit juices in glass, and Parmasole, a leader in tomato processing and pioneer of cartoned juice production. Two years after its founding, the industrial cooperative Co.ind joined the Fruttagel company and in 1998 the company expanded with the establishment of the Consorzio Fruttagel Molise, for the management of the Larino plant (Campobasso), incorporated into Fruttagel in 2009 following the acquisition of the plant from the Molise Region.

VISIT TO FRUTTAGEL FACTORY
30.10.2019
THEIR PRODUCTS, THEIR BRANDS, THEIR PRIVATE LABEL

Nectar, juices, fruit juices and teas
Fruttagel offer a wide range of nectars, 100% juices, fruit-based drinks and teas made from conventional raw materials under the Il Giardino dei Sapori brand.

Fruttagel produce organic Italian fruit nectars in classic flavours, fruit drinks and cold teas under the Almaverde Bio brand

Sucor is a long-life line of products dedicated to foreign markets. It includes nectars in traditional flavours, 100% fruit juices, fruit drinks.

FROZEN PRODUCTS - CATERING
Sucor is a line of frozen vegetable produce intended for use by professional caterers. They have a range of over 30 items including single-product frozen vegetables, minestrone mixes, side dishes, grilled vegetables and flavourings. Vegetables, mostly from integrated production, and of Italian origin from the best production areas, are carefully selected, processed and frozen in a few hours, to preserve all the taste and organoleptic and nutritional properties of the product, and to guarantee consistent quality. All our plant-based products are individually IQF-frozen, allowing you to get the perfect amount of the product when you need it and avoid waste.

Sucor is the line of frozen vegetarian dishes based on soya for catering professionals: Burger, Cutlets, Soy Meatballs are tasty proposals designed for a vegetarian menu, in packaging suitable for catering needs.

For professionals in collective and commercial catering they offer a range of Italian-origin organic frozen vegetables in the 2.5 kg bag format. The range consists of 11 products including single-product vegetables and minestrone suitable for any menu.

Private Label - Innovation, Convenience, Quality

For their clients, for their branded products, Fruttagel offer a range of frozen vegetables suitable for every need, packaged with IQF (Individual Quick Freezing) technology, in order to allow the final consumer to easily measure out the product and avoid waste.

They offer:

- **vegetables and mixed side dishes** in bags, in classic formats from 250 g to 2.5 kg or in packaging suitable for microwave cooking
- **vegetable selections or mixes, legumes and cereals for minestrone** in 250 gr to 2.5 kg bags
- **grilled vegetables** in 250 g to 2.5 kg bags
- **battered vegetables** in 1 kg bags
- **flavourings** in bags or cardboard cartons with measuring caps, in various weights (50 gr, 100 gr or 150 gr)

The vegetables we process and pack, mainly of Italian origin, are grown both with integrated production methods and with organic methods and are also available in innovative fully compostable packaging, OK COMPOST-certified in accordance with the UNI EN 13432: 2002 standard established by TÜV Austria. This is environmentally friendly packaging **made of bioplastic that can be disposed of in the organic waste collection boxes**. We have developed this packaging to respond to and anticipate market demands and operate responsibly towards our stakeholders and the environment.
In addition to frozen vegetables, we offer our customers a line of three frozen vegetarian soy dishes: burger, cutlets and meatballs. These are high in flavour and low in saturated fat, great fibre sources with high protein content, and are available both in a cardboard box for the retail channel and in bulk packaging (using food bags or practical cardboard packages) from 2 to 2.5 kg for our catering channels.

Industry
Suitable formats for industrial clients

With high quality raw materials, flexibility in the proposal of customized solutions and an incessant process of innovation allow us to develop products able to meet all the needs of the food industry, we offer:

- a wide range of normal or grilled vegetables in the most popular formats and in customized formats based on the client’s specific needs
- vegetable mixes developed in close collaboration with our Research and Development department
- cereals and legumes
- flavourings

Frozen ingredients for the industrial channel are obtained from the processing of raw materials from integrated or organic production, packaged in 10-kg industrial formats or cardboard boxes. Among their clients are: companies operating in the fish and meat sector, pasta factories, canning, bakery and industrial gastronomy industries.

AGRIBOLOGNA

Agribologna is a Consortium of associated farmers and represent the tradition, the soil from which originates the history of the whole group. More than fifty years ago they felt the need to evolve and create an organization to complete their offer. Processing and packaging the goods, building a distribution strategy have been a winning choice and nowadays, thanks to Conor they reach the Italian schools, families, hospitals, companies, hotels, restaurants and cruises' tables, import exotic fruit and colour the world with their best in season.

And this is not all: they choose to bet on innovation, progress and future. Fresco Senso reaches fruit and vegetable lovers who doesn't have time to prepare it: fresh ready to-eat fruit and vegetable line is the solution.

The short chain. They associated farmers, deliver freshly-picked fruit and vegetable directly to the consumer, without any commercial intermediation, guaranteeing constant quality, food safety, cultural and territorial identity, traceability, freshness and ripeness.

185 associated farmers
3.100 has of crops

21 cooled warehouses in Italy

190.000 tons of products annually processed

2.500 customers in the Wholesale market, catering and traditional retail sectors more than 220 employees

The associated farmers are located in nine Italian regions. **Emilia - Romagna** is the territory where everything originated, but evolved and decided to involve friend farmers coming from other surrounding regions: Emilia - Romagna, **Veneto, Lombardy, Trentino, Friuli Venezia Giulia, Lazio, Apulia, Calabria, Sicily.** Giving them the opportunity to offer an Italian product during the whole year.

They cultivate leafy vegetables as endives, lettuces, chicories, chards, red and green radicchio, cauliflowers, courgettes, tomatoes, cucumbers, aubergines, onions and potatoes. But also, local fruits: pears, strawberries, apricots, peaches, kakis and cherries. They believe, our planet's future is in their hands and this is why they adopt organic and integrated farming techniques. They believe that food safety and quality mustn't be brought in doubt. Never. And this is why their products are traced and checked during the whole production process. From the sowing or transplantation, from the harvest to the manufacturing and the packaging, until the distribution.

**BRANDS**

**QUESTO L'HO FATTO IO**

It is a fresh fruit and vegetable line. Agribologna farmers, process them. Every day they select and harvest fruit and vegetable of the best quality, following the right seasonality, guaranteeing to the customer the right ripeness, the best tastiness and food safety.

They have chosen to follow the "Organic and integrated farming national quality regulations" by ‘MIPAAFT. **Questo l'ho fatto io** products are, effectively, cultivated with organic and integrated farming methods: using organic fertilizers, beneficial insects to guarantee an effective pest control strategy agronomic techniques that respect the environment and the consumer's health.

**Reaching every day the Italian and European supermarkets, restaurants', school's and hospital's kitchens with more than 700 tons of fresh fruits is our passion.**

**Pellerossa** tomatoes are born in the Fruttagel’s eco-friendly greenhouses, chemical treatments are not used, but beneficial insects, targeted manure applications and humidity control are preferred. Their tomatoes are zero impact: when it's too hot, they cool the eco-friendly greenhouses down. And when its too cold, they warm up their plant's roots with their corn biomass fuelled plant. Tomatoes are different. They are sustainable.

**Le officine della terra** is an Agribologna product line, the freshness quintessence. The fruit and vegetables are harvested in their friend farmers’ fields: they are in partnership! The products are
selected and immediately processed to maintain the maximum freshness, flavours and perfumes of their origin. This is the only way to manufacture quality and freshness nowadays by the market.

**FRUIT AND VEGETABLE READY TO EAT**

fruit and vegetable are fresh and cultivated directly by they, Agribologna's farmers and by their grower friends, selected to be suitable to become a fresh cut produce. It is sanitized, cut and packaged without any preservative, without any thermic treatment, to guarantee the product's freshness, not renouncing to quality.

These products are for:
- mothers that must divide their time between children, work, gym, borne and have no time to eat,
- for students who would like to have a little snack between lessons'
- for students residing out of town's and who get rescued by Fresco Senso when the fridge is empty.

Fresco Senso means convenience, comfort and pleasure but also easier life and budget savings.

**Stikki** is a trade mark of Agribologna for fresh vegetable's stiks ready to eat good for lunch, for free time, for sport. 100% natural

**CONOR**

With more than 40 years' experience in the fruit and vegetable sector, **Conor is the leading marketing company in the Agribologna Group.** Conor is the leader in distributing fresh fruit and vegetables. Its locations, of which one in Bologna, by the side of the Bologna Centro Agroalimentare, and one in Ravenna in the heart of the Adriatic Riviera, ensure a strategic position for procuring and distributing goods.

Conor is the privileged representative for the world of Commercial and Collective Catering, Naval Catering and all entrepreneurial forms that need a high level service besides a constant and customised quality standard.

Conor's assortment boasts more than 300 fresh fruits and vegetables, IV and V range, that every single day ensures its clientele just the right solution for their needs: product quality with **BIO, ISO 9001** and **IFS LOGISTIC** certifications; short chain thanks to the direct relationship between producer and customer; Health and Safety of the goods guaranteed by more than 400 plant protection controls on the products marketed which is the equivalent of 140,000 analytical analyses; computer controlled supplies thanks to connections between customers and suppliers for order processing, billing and subsequent management control.

**Conor handles** more than **500,000 quintals/annum** on two multi-purpose distribution platforms with 30,000 square metres of land of which 9,000 roofed over and 8,000 air conditioned, suitable for all logistic services: incoming goods, quality controls, storage management, preparation and shipping.
Conor is not limited to working in Italy – it exports quality fruit and vegetables to emerging European countries: Croatia, Slovenia, Serbia, Czech Republic, Slovakia, Poland, Hungary and Baltic countries. Conor is certified according to the Uni En Iso 9001 quality management system standard for processing, conditioning and marketing fruit and vegetables, certification regarding the marketing of organic products and certification according to the IFS LOGISTIC standard for handling fresh fruit and vegetables.

Conor is also a founder partner of HFD, Horeca Fruit Distribution, the Pool that unites the most important Italian companies supplying top quality fruit and vegetables for Commercial and Collective Catering.

SERVICES

Quality Check

Each product entering Conor’s system – both in its central or minor sites – is thoroughly checked. Phytosanitary tests certify their compliance and suitability to our specifications.

Operations

The handling of customer orders guarantees produce delivery for catering within 24 hours. Each phase of the order filling process can be electronically traced.

Packaging Centres

Conor’s packaging centres are equipped with automated production lines where trays range from foldable crates for mass retailing (Ifco, Steco, CPR System, Polymer) to the main packaging systems for fresh produce: flowpacks, Girsacs, Vertbags, and nets.

Customized Delivery

Conor takes its products directly to its customers’ kitchens guaranteeing efficient deliveries and respect of the required schedules and transportation methods.

Customer Care

Our team monitors our services on a daily basis and is always ready to deal with order modifications or any trouble that may occur during delivery. Customer satisfaction is monitored with a special research application called FruitAdvisor, which gathers evaluations at regular intervals.
## Annex 3: List of participants

<table>
<thead>
<tr>
<th>Ime i prezime / Name</th>
<th>Opština / Municipality</th>
<th>Organisation</th>
<th>Job task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gordana Vulić</td>
<td>Podgorica</td>
<td>Mercator / Idea</td>
<td>F&amp;V procurement manager</td>
</tr>
<tr>
<td>Amra Terzić</td>
<td>Podgorica</td>
<td>MARD</td>
<td>Senior Advisor - fruit production</td>
</tr>
<tr>
<td>Marijan Camaj</td>
<td>Podgorica</td>
<td></td>
<td>Producer</td>
</tr>
<tr>
<td>Vesna Dukic</td>
<td>Kotor</td>
<td>Maslinarsko društvo - Boka Kotorska</td>
<td>President of association and producer</td>
</tr>
<tr>
<td>Pashko Dedvukaj</td>
<td>Tuzi</td>
<td>Cooperative</td>
<td>Fruit producer</td>
</tr>
<tr>
<td>Dušan Femić</td>
<td></td>
<td>Franca</td>
<td>F&amp;V procurement manager</td>
</tr>
<tr>
<td>Dejan Jovović</td>
<td>Danilovgrad</td>
<td>Cooperative</td>
<td>Vegetable producer</td>
</tr>
<tr>
<td>Nebojša Raspopović</td>
<td>Danilovgrad</td>
<td>Fruit juice production</td>
<td>Processor</td>
</tr>
<tr>
<td>Andrija Delić</td>
<td>Bijelo Polje</td>
<td>Berry Association</td>
<td>Producer</td>
</tr>
<tr>
<td>Giulio Benvenuti</td>
<td>Latina</td>
<td>Legacoop</td>
<td>Quality manager</td>
</tr>
<tr>
<td>Ben Toric</td>
<td>Podgorica</td>
<td>FAO</td>
<td>Value chain expert</td>
</tr>
<tr>
<td>Lisa Paglietti</td>
<td>Rome</td>
<td>FAO</td>
<td>Economist</td>
</tr>
<tr>
<td>Nina Coates</td>
<td>Rome</td>
<td>FAO</td>
<td>Agribusiness project specialist</td>
</tr>
<tr>
<td>Valentina Velimirovic</td>
<td>Bologna</td>
<td>FAO</td>
<td>Language support</td>
</tr>
</tbody>
</table>
1. How do you evaluate this knowledge exchange?

As seen in the table below, the overwhelming majority rated the program as excellent. All participants rated organization/logistics as excellent. Half of the participants rated practical implementation as either good or very good.

<table>
<thead>
<tr>
<th></th>
<th>Very bad</th>
<th>Bad</th>
<th>Good</th>
<th>Very good</th>
<th>Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selected topics for visits</td>
<td></td>
<td></td>
<td>2</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Selected site visit locations</td>
<td></td>
<td></td>
<td>2</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Organization/Logistics</td>
<td></td>
<td></td>
<td></td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Practical implementation</td>
<td></td>
<td></td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

2. How relevant were site visits to you? What was most useful?

- I am very happy. The most useful for me was the visit to Fruttagel as I am also producing fruit juices.

- They were relevant. We could see and learn how cooperatives function in reality because in MNE they function on paper only.

- Agribologna was most useful for me.

- The most relevant for me were the visits to retail stores to see how they pack and present products to customers.

- As a retailer, the most relevant for me were visits to Hypermarkets, as well as the organization from producer to retailer, selection, accepting and presenting products in the store.

- Practical implementation of regulations relating to marketing standards for fruit and vegetables as well as producer cooperatives in the F&V sector.

- Different strategies to sell fresh and processed F&V.

- New market and consumer requirements for F&V products.

- New practices related to product packaging.

- Innovations in processing.

- The visit to a producer cooperative which showed us that through associating and cooperation between smaller producers/cooperatives, it is possible to achieve a good position on the market and stable returns. The conditions and quality control, internal and external, show us its
importance in planning and meeting consumer requirements and protecting the interests of producers and consumers through the offer/demand for quality products.

- Visit to a producer on their farm shows that sometimes the simplest solutions are the best as the direct contact with the producer, at their place for production, builds consumer confidence in producers and builds connection to the product.

- Everything was useful but especially seeing how they work and cooperate.

3. Which aspects of the program were not so relevant/useful for you?

Six participants made comments that can all be grouped under the heading of "all was useful". Other participants did indicate some specific topics that were not so useful to them.

All was useful

- All aspects of the program were useful/relevant / There were no irrelevant topics on this trip (x6). Additional detail:
  - Even though some aspects were not directly connected to retail (which is my area of work) everything was useful as for good business management it is necessary to know the product source and producers as business partners to understand their challenges and opportunities to develop joint approaches to reach the final consumer.
  - Everything I saw was relevant and will be useful in the work I do. It is useful to see all aspects of the sector (production, packaging, processing, sale, marketing, aggregating/farm groups etc) to understand the whole sector and hence be able to develop appropriate policies for sector development.
  - If something was not so interesting to me, it was interesting to others and I will transfer this info to fellow farmers.

Some topics were not so useful:

- Functioning of the green market as our green markets function in a similar way. What was interesting, however, is the Campagna Amica promotional program.

- Visit to the cooperative of consumers because the organization's size and structure, the number of members and the diversity of product offer, is not something that is relatable to Montenegro - despite the fact that what we heard and saw is impressive.

4. What will you do differently once you return to your farm or job because of this program? Will you adopt some new practices or ideas?

- As a producer and processor, I have conditions to offer my products directly at my premises (in a similar way to that seen during a visit to a farmer on his farm).

- We will try to transfer the experience from Italy into Montenegro e.g. functioning of cooperatives, establishment, and associating/aggregating in general.
I will change a number of things. We need to group farmers into cooperatives and sell our products at higher prices. That way we will all be happy.

As a retailer, I plan to introduce packaged products in our stores and give support to our producers by separating domestic products from imports.

In our retail store we already supported domestic production but now we could reflect this in fresh F&V sector by separating domestic from imported products.

Continue to strengthen the formation of producer groups/organizations.

Consider innovations in production and processing.

Present the experience to association members through information on our website, short presentation at the Association's Assembly meeting and direct communication, especially with those interested to form a cooperative.

With support from FAO, to gain an understanding of the concrete steps I need to take to establish and manage a cooperative. Start to develop strategy and gather potential members. Gather a group of women and organize a short study tour to a successful agricultural farm holding and a cooperative as an example of good practices.

Upon return, I will organize a cooperative assembly meeting to inform them about my experience and to suggest that we buy a packing machine so that we could sell our product under our brand and name.

5. **What are your ideas for future training or activities?**

Ideas for future training or activities have been summaries into three topics: Support to establish and manage a cooperatives; Additional study tours; Facilitating public private dialogue.

*Support to establish and manage cooperatives*

- Need training/TA to help establish and manage a cooperative.
- Support/training to those that have just started a cooperative.
- Work with groups of producers that are interested to establish cooperatives and Producer Organizations by providing technical support.
- Organize a training on the process of establishment, organizational structure and cooperative management (within Montenegro).
- Link Montenegrin cooperatives with (smaller) cooperatives e.g. in France, where the producers and linked into smaller organizations.

*Additional study tours*

- A study tour to another country to see their solutions/practices related to trade, production, cooperatives.
- A visit to a country that is more developed than Montenegro but not too far ahead of Montenegro where everything looks like science fiction.

- Since there are many vineyards in Montenegro, I suggest that we visit vineyards and wineries in other countries to learn about vineyard maintenance for the production of quality grapes and wines and experience in marketing/sale.

Facilitating public private dialogue

- To facilitate dialogue between producers and the Ministry regarding administration to simplify procedures.

6. Additional suggestions/comments?

- Facilitate concrete agreements between producers, processors and customers.

- This visit helped me realize how pathetic and poor we are - that I am ashamed. That has given me some strength to fight harder for the development of Bijelo Polje and to help improve the lives of producers at least a little bit. I have already achieved some good results over the past 12 months, that are clearly visible. We are a step away from forming a cooperative. Producers want to form a cooperative as they have already seen that forming an association has given results and that only by working together we can support development. For the first time this year we managed to avoid intermediaries and export raspberries directly as producers. We should fight so that raspberries are sold in Montenegro as fresh and processed product. It is good that we have established cooperation with Idea and believe that this will be a start for promoting domestic production. Thank you all for organization (Lisa, Nina, Ben...). Everything was perfect.

- We should have had a greater focus on producers to hear their opinions and if they are happy with their business.

- Any future study visits need to be more closely aligned to Montenegrin context in terms of size of producers, processors and retail sector.

- All visits were connected to the study tour topic and implemented well. I suggest that any future visits include visits to smaller facilities, smaller associations/producer groups, as that is more relevant for producers in Montenegro.

- I find every new knowledge and experience valuable at a time when technological changes are happening every day, leaving behind all those who are unable to keep up. Just the communication and friendships formed between the participants of this study visit is sufficient justification for this tip as it can potentially generate new ideas and cooperation at all levels. This is, among other things, a good way to achieve bottom-up and horizontal cohesion among stakeholders (producers - institutions; producers - producers - distributors). I am therefore grateful to have been invited to be part of the group and to have enriched my knowledge and experience, to strengthen / make contacts and to enjoy the beauty of the Emilia Romagna region. The organizers (Lisa, Isabell and Ben) showed good knowledge and capacity to keep the group interested and focused on the topic and to feel comfortable.
It would be good to organize a meeting with the World Bank since they are providing support for development. It would be useful for both sides to hear about the current situation in vineyards, what could be done to improve and how producers could access support in an easier way.