



**Anexa nr. 3 la Hotărârea CJH nr...../2022**

# **Action plan to support the development of food businesses in Harghita County**

Final version

25.05.2022

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## PART I – INTRODUCTION

### General information of the Partner

<b>PROJECT</b>	Development of food industry SME competitiveness for better potentials in growth FRiDGE
<b>PARTNER ORGANISATION CONCERNED</b>	Harghita County Council
<b>COUNTRY</b>	Romania
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### FRiDGE Project

#### Objectives

The FRiDGE (improving the competitiveness of food small and medium-sized enterprises (hereafter referred to as: SMEs) for better growth potential) project addresses one of the most important segments of the European food industry, the competitiveness of SMEs. The food sector is the largest employer in the European Union and the largest processing industry. Rising input costs are leading to declining profitability and competitiveness in the sector.

The FRiDGE project helps to improve the competitiveness of the sector and regional policies by sharing knowledge and good practice. The program-specific aim of the project is to contribute to policy learning between the organizations involved in the preparation of development programs for the competitiveness of food businesses.

**Improve the implementation of regional development policies and programmes, in particular programmes for Investment for Growth and Jobs and, where relevant, ETC programmes, supporting SMEs in all stages of their life cycle to develop and achieve growth and engage in innovation.**

Specific objectives of FRIDGE project are:

Programme specific objective of the project: Support policy organisations to improve the effectiveness of regional/national development programs and increase the competitiveness of food SMEs

Overall objective:

- To support exchange of experience and sharing of practices in the main/leading sub-sectors of the European food industry with the aim to integrate the lessons learnt from the cooperation into the guiding policies of regional/national policies through their operational/development programmes for the benefit of food industry SMEs.

Sub-objectives:

- To enhance the development of food industry SMEs in partner regions by enhancing their market reach of intra-EU and extra-EU markets.
- To enhance the growth of food industry SMEs of partner regions in terms of production capacities, new market entries by SME cooperation and productivity issues related to process management.
- To support experience exchange between partner regions on food industry SME knowledge and practices, with active involvement of stakeholders.
- To create regional action plans for improving the effectiveness of national/regional European Regional Development Fund (hereafter referred to as: ERDF) programmes in service of food industry SMEs.

- To realise policy change inside the targeted food sector relevant ERDF and regional programmes.

### **Outputs and outcomes**

FRiDGE's proposal seeks to achieve a sustainable approach to results through a multi-level approach which ensure that the outcomes of the project in terms of good practices, policy recommendations will be incorporated in certain policy instruments:

1. Partner level: Partners able to influence ERDF - funded instruments shall cooperate with the relevant Managing Authority (hereinafter referred to as the MA). Based on their experience in working with the MA, the partners will develop guidelines (action plans) for the necessary changes in the chosen policy instrument. Action planning will be done in close cooperation with the relevant managing authorities.
2. Local level: Stakeholders who contribute to the sustainability and dissemination of results from local actors.
3. International level: Competent European sectoral organizations sought by the partner level to promote project results, best practices and policy recommendations. Making project results available to professional communities and decision makers.

In addition to a multi-level approach, the soundness of the results contributes to the achievement of key players in the industry, ensuring that the results have a long-term impact on food-related policy instruments.

### **Overall and specific objectives of the Action Plan**

Specific objectives are the following:

- support analysing and evaluating the present situation in the region
- combine results of the current development projects and processes with regard to SMEs in the food cluster.

## PART II – POLICY CONTEXT

### The Policy Instrument

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

### Name of the policy instrument (s) addressed:

Other regional development policy instrument  Rural Development Strategy of Harghita County Council 2021-2030

### Background and rationale

The general goal of the Rural Development of Harghita County Council 2021-2030<sup>1</sup>, adopted in 2021, is: *"To improve the quality of life through people-centered development, the utilization of existing natural and human resources, the reduction of environmental impact, and the increase of social responsibility."*

The specific objectives of the strategy are to improve the quality of life in rural areas by increasing the quality of income and local services and making optimal use of environmental resources. Increasing the attractiveness of rural areas for young people is a priority of the strategy. To increase income by developing the agricultural sector, forestry, tourism and local industry.

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<sup>1</sup> Strategia de dezvoltare rurala a judetului Harghita pe perioada 2021-2030, <http://elemzo.hargitamegye.ro/hargita-megyevidekfejlesztési-strategiaja-2021-2030/>

The strategy takes into account the development dilemmas related to the goals, which can be solved with the involvement of stakeholders and complex developments:

- Due to its geographical location and traditions, Harghita County is predominantly a rural-agricultural area. Although a traditional sector, agriculture is poorly integrated into the market economy. In the economic analysis of the county, the economic sectors that build on existing natural resources do not currently represent the engine of the local economy.
- Investments in rural areas with significant agricultural potential contribute to improving the quality of life of rural and urban citizens, including the well-being of farmers.
- Organic farming can make a significant contribution to the sustainable development of agriculture and the growth of higher value-added economic activities. Organic farming is becoming more and more important and competitive, and its market is constantly growing.
- Cattle breeding is a traditional activity of the county's population. Supporting the sector can ensure the stability of the local economy, especially in rural and mountainous areas, and the diversity of production.

Problems indicated by farmers in Harghita County: are the lack of sectoral information, administrative burdens, and a shortage of skilled and unskilled labor. It would be important to optimize activities, in addition to local and sectoral cooperation between farmers, to organize the division of labor.

Most farmers have been involved in agriculture since childhood, inheriting a family farm from their parents or grandparents. According to farmers, there is a great need for further training, exchanges of experience and professional meetings. Experimentation with new varieties of plants is typical of local farmers. The



regulation and conditions of organic farming are little known, although few chemicals and fertilizers are used.

The first program of Harghita County Rural Development Strategy focuses on the agricultural sector:

- Improving the business environment: to ensure the competitiveness of local agricultural enterprises.
- Developing innovation and knowledge transfer: to introduce innovative technologies and operating models.
- Local and regional cooperation: aims to strengthen existing cooperation and create new ones, which are essential for integrated development.
- Promotion of local products: development of the short supply chain in the next schedule.
- Establishment of the County Agricultural Land Fund: There are many vacant and unused agricultural land in Harghita County for various reasons where it is possible to establish large public farms.

### **A short introduction of Harghita County**

Due to the territorial and economic structure, Harghita County is predominantly rural, so the role of the agricultural sector in the income-generating capacity of the region is large. The county's population is declining, with the population declining from 339,320 (2005) to 331,947 (2018). Population decline manifests itself differently in rural and urban environments. In rural areas, the population is stagnant, in urban areas the decline is more than 5%.

In 2014, the total area of Harghita County was 663,890 ha, of which 395,393 ha (59%) were agricultural land and 237,574 ha (35%) were forest land.

In 2010, there were 72,531 agricultural holdings in Harghita County. Of the agricultural holdings, 41,745 are utilized agricultural land and keep animals (57.55%),

26,862 are engaged only in agriculture (37.03%) and 3,919 agricultural holdings carry out only livestock farming (5.4%).

In Harghita County in 2010 there were only 18 agricultural holdings with arable land over 100 ha. In Harghita County, agricultural production is carried out part-time as an ancillary activity on small plots.

Due to the favorable climatic conditions, Harghita County is famous for its potato crops, which are a traditional product of the region. Between 2017 and 2020, however, the area sown to potatoes decreased from 10,977 ha to 7,282 ha.

The area cultivated with grains was 24,549 ha in 2017 and 19,482 ha in 2020. Harghita County has the largest meadow area in Romania, 317,163 ha. According to 2020 statistics, the county has 317,163 hectares of meadows, of which 141,989 hectares are pastures and 175,174 hectares are hay. The largest meadows are located in the northern part of the county (Toplița, Borsec, Bilbor, Corbu, Tulgheș), Ocland, Merești, Lueta, Vlăhița, Căpâlnița and Lunca de Jos.

The number of livestock farmers has been declining by 22% in the last 5 years. In 2016, 33,713 and in 2020, 29,869 livestock farmers were registered. Between 2016 and 2020, the number of cattle and sheep decreased steadily, by 16% (cattle) and 28% (sheep) compared to the reference year. The number of pigs fluctuates sharply during this period, with a decrease of 18% in 2017 and 47% in 2018, after which the values return to their original value and then by 2020 they exceeded the original value by 3%.

The livestock keepers of the county can be divided into 3 categories:

- Most are medium-sized farms with an average of 9 animals
- Farms with 1-2 animals are also present in significant numbers
- Larger breeders are present in small numbers in the county

The area of forests in Harghita County is 264 thousand hectares, which means that about 34% of the county's area is covered by forests.

In the field of enterprises, the largest turnover is achieved by wholesale and retail companies. This sector contributes more than 40% to the county's turnover. This is followed by beverage companies with 25% (mineral water factories) and then processing companies in Miercurea Ciuc.

In 2018, the total number of companies registered in Harghita County was 9,426.

### SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>– Good quality large pastures</li> <li>– Environmental resources to support the production of premium quality products</li> <li>– Ideal climatic conditions for certain crops (potatoes, wild berries)</li> <li>– Biodiversity</li> <li>– Economic sector in the county with traditions</li> <li>– Available manpower</li> <li>– Diversity of agricultural products</li> <li>– Production based on family traditions and culture</li> <li>– The way the land works and livestock is close to production</li> <li>– Existence of professional associations and collaborations</li> <li>– Agricultural training in the county</li> </ul>	<ul style="list-style-type: none"> <li>– Low efficiency</li> <li>– Inadequate hygiene values in milk production</li> <li>– Low level of education of those working in agricultural production</li> <li>– Lack of slaughterhouses and small local meat processing plants</li> <li>– Farmers' dependence on funding programs</li> <li>– Lack of innovative investments, outdated infrastructure</li> <li>– Lack of a market for agricultural products</li> <li>– Weak cooperation between different economic actors</li> <li>– Low proportion of large farms</li> <li>– Inefficient communication between levels, institutions and actors in the</li> </ul>

<ul style="list-style-type: none"> <li>– Existence of a food research center in the county</li> </ul>	<p>sector</p> <ul style="list-style-type: none"> <li>– Lack of cooperation between related sectors (agriculture, forestry, tourism, food industry)</li> <li>– Local solvent demand for premium products is low</li> </ul>
<p><b>Opportunities</b></p>	<p><b>Threats</b></p>
<ul style="list-style-type: none"> <li>– Production of premium products (bio, eco)</li> <li>– Exploring niche markets (eg.: organic, eco-production), developing sales channels</li> <li>– Existence of support schemes for agriculture (national and EU)</li> <li>– Understanding consumer needs</li> <li>– Changing consumer needs, increasing the number of conscious consumers</li> <li>– Product line level improvements based on consumer needs</li> <li>– New product sales channels (eg.: online, social networks)</li> <li>– Establishment of producer and product line collaborations</li> <li>– Trademark system development</li> <li>– Regular fairs for local producers</li> </ul>	<ul style="list-style-type: none"> <li>– Climate change</li> <li>– Impact of COVID on markets and production</li> <li>– Low prices for primary agricultural products</li> <li>– Competitors, mass production of cheap food (national and EU policy decisions)</li> <li>– Emigration of labor from agriculture to other sectors or abroad</li> <li>– Declining purchasing power of the population</li> <li>– Ambiguous, uncertain legal framework</li> <li>– Conflicts between different actors in the sector</li> </ul>

- |  |  |
|--|--|
| — Exchange of experience, study trips<br>abroad through international projects |  |
|--|--|

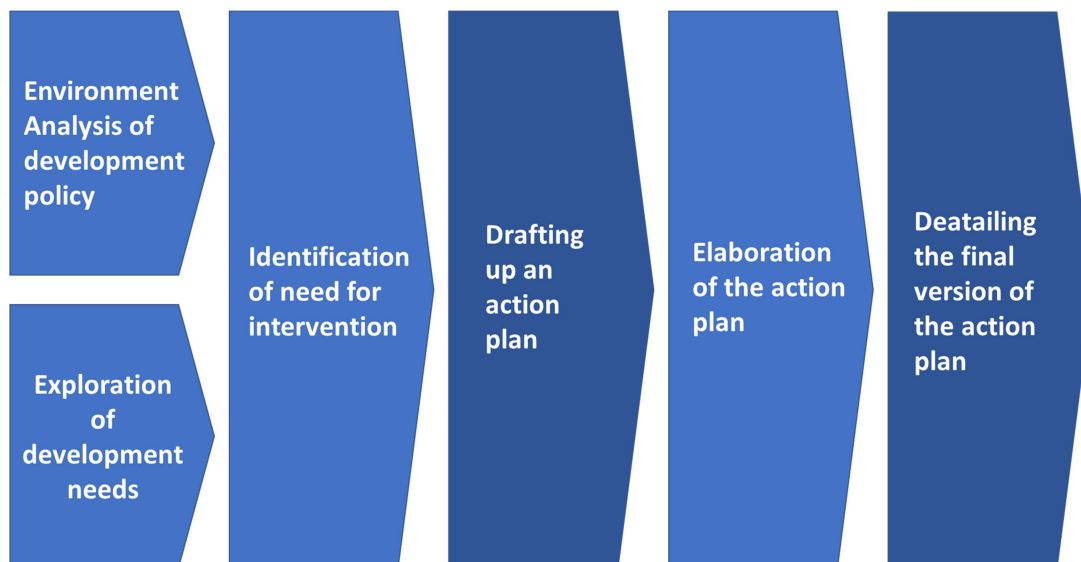
## PART III – METHODOLOGICAL APPROACH

### Challenges/needs addressed

In connection with the compilation of the action plan supporting the development of food industry enterprises, the aim was to identify and design interventions in the existing business development environment that fit the relevant development objectives, which:

- feasible,
- take into account environmental requirements at European Union and national level,
- can be included in planning documents providing financing for development,
- support the outcome and impact indicators set out in the strategy papers in the short and medium term.

The process of compiling the action plan is presented on the basis of the following illustration.



**1. figure- The process of drawing up an action plan<sup>2</sup>**

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<sup>2</sup>Own Editing

### **Analysis of the development policy environment**

The FRiDGE project produced a document presenting the development policy environment (actors, goals, financing instruments). Elements related to food businesses have been identified and highlighted in each development policy instrument. The identified development policy tools were used in connection with the exploration of development needs and the elaboration of interventions.

### **Exploring development needs**

Development needs were explored with the involvement of relevant businesses, organizations and professionals. Based on the situation analyzes of the development documents, we explored the needs based on the opinions and experience of the stakeholders. Development needs were validated with organizations concerned.

### **Identification of the need for intervention**

Food SMEs are located in the middle of food product pathways. Raw materials produced by farmers are processed and then sold through commercial channels. Food retail units are in direct contact with consumers. The quality and efficiency of food processing is significantly influenced by the quality and availability (quantity) of raw materials. Sales are about knowing the needs of consumers. The price of final food products is also an important consideration in terms of the volume of consumption.

The basic condition for the sustainable development of food businesses is that the planned development should not be point-based but should fit into the given food chain and directly contribute to increasing the income, efficiency and profits of the given product line, while making optimal use of environmental resources.

	Raw material production		Processing		Sale	
Human resource	Inhibitor factors	Supporting factors	Inhibitor factors	Supporting factors	Inhibitor factors	Supporting factors
Technology	Inhibitor factors	Supporting factors	Inhibitor factors	Supporting factors	Inhibitor factors	Supporting factors
Financing	Inhibitor factors	Supporting factors	Inhibitor factors	Supporting factors	Inhibitor factors	Supporting factors
Regulation	Inhibitor factors	Supporting factors	Inhibitor factors	Supporting factors	Inhibitor factors	Supporting factors
Digitalization	Inhibitor factors	Supporting factors	Inhibitor factors	Supporting factors	Inhibitor factors	Supporting factors

## 2. figure- Opportunity for the development of food companies in the food chain<sup>3</sup>

To increase the efficiency of the food chain, we examined five areas:

- The availability of the necessary human resources, in terms of sufficient staff and the necessary competencies and knowledge.
- Availability of technology to produce food that meets consumer needs (quality, content, packaging, packaging).
- Availability of financing for the development and operation of the business.
- Inhibitory and supportive factors in the regulatory environment.
- Application of digital solutions (precision technologies, automation, robotics, data-based operation and decision making, product tracking) in enterprises and along product paths.

Intervention needs were examined along the entire product path.

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<sup>3</sup> Own editing



## PART IV – ACTIONS

### **ACTION 1. - Establishment of a product brand system quality assurance system**

#### **Relevance to the project & background**

##### *The role of trademarks in product sales*

A trademark is a mark used to distinguish and identify different products and services, the purpose of which is to give a given product a distinctive character. Thanks to this distinctive character, the consumer can accurately identify the origin of the product and help to avoid confusion with other products.

The value of a trademark is determined by the consumer's decision to make a purchase. If the trademark-proven property of the product is a value, the consumer will decide to buy it. To do this, you need to know the expectations of consumers and ensure that consumers know the true content of the trademark. Changing consumer expectations is possible with marketing tools, which can come at a significant cost.

Much more information is available to both sellers and consumers through consumer awareness and the shift to online shopping. In the process of informing and informing consumers even more widely, there is a kind of surplus data and information for consumers, with the help of which they can make more conscious, confident consumer decisions. For this reason, and in order to regulate each product in a transparent way, it is appropriate to create a brand that certifies the benefits offered by digital trading systems (such as quality assurance, monitoring, etc.).

Such a trademark may be the Szekler Product Trademark, the Mountain Product Trademark, or other trademarks with real local content (quality, production, manufacturing standards, or proof of regional origin), which carry the possible features of the given trademark. As a result, a single label associated with a product can also ensure and certify the origin of products from a short supply chain in a complex way. Through its own quality assurance system (digital sales service),

products with the Szekler Product Trademark or the Mountain Product Trademark come from proven safe production and sales conditions and meet the required trademark requirements.

Selling online is different from non-food products in terms of food. Consumers buy food once a week anyway, while other products are much rarer. Another different factor is the product warranty and the variability of the product range. Partly because of these, it used to be harder for consumers to get the “experience” of sorting between products out of their hands, but today, online food trade is one of the most dynamically developing distribution channels.

Online food sales are significantly different from traditional offline space. When shopping online, the consumer receives much more information about the origin of the products, you can find out what technology and procedures the producer has used, which is a very important aspect for today's conscious consumer in making their decision. The consumer can gather immediate information not only about the product, its origin, but also about the identity of the producer, which can greatly increase confidence in the product.

However, the collection of data and information is not only possible for the buyer, as the analytical and data collection systems of online trading platforms provide the operator with additional information about the consumer and its target groups. While data collection during shopping in the traditional sense and in many respects (GDPR, automation, etc.) is difficult, the framework and logic of e-commerce platforms make it possible to learn about consumer preferences and shopping habits. Webshops specializing in the sale of food therefore differ significantly from traditional aspects in terms of producers or operators. In addition to the data collection options listed above, the big difference between the two forms of purchase is that online sales require a different logistics and sourcing system, and due to its specificity, the product may be delivered directly from the producer to the consumer.

In addition, warranty and complaint handling processes may be different in many cases.

Thanks to the online space, a comprehensive picture is created of consumers, their habits, what products and how often they consume them. Thanks to various web analytics programs, consumers' online shopping behaviors can also be analyzed, all of which provide significant help in a variety of development and decision-making issues. Thanks to the digital space and thus the free flow of data and information, products sold online carry much more information about a given product from both the consumer and producer side. There is a surplus of information for the consumer, and this surplus also contains the information needed to make a safe and appropriate decision, so that consumer decisions can become more informed.

In order to take advantage of the opportunities and benefits offered by this information, it may be worthwhile to develop the existing Szekler Product Trademark, which can differentiate products sold online with information that supports certain customer decisions.

#### *Potential Benefits and Features of Trademarked Products*

An effective sales promotion trademark in both the digital and personal commercial space can be a product designation that provides additional information to the consumer. In addition, the Trademark can justify a number of positive, important and decisive factors for the customer. The purchaser can be sure that when purchasing the Trademarked Product

- in the **short supply chain**, it obtains the desired products from the producer rather than through the intermediary of an intermediate trader.
- The Trademark may include a strict **quality assurance** system that regulates both production and sales steps, ensuring that the consumption of the designated product does not pose a risk from a food industry perspective.

- The Trademark would also provide information on the **tracking of the designated products**, which could justify a well-transparent process by complying with the rules of the short supply chain.
- In addition to meeting the above parameters, the product may meet the **fair trade** guidelines due to its commercial characteristics.

In this way, the products can be distinguished by a brand that meets complex requirements that can be considered important in all respects. These advantages and properties are confirmed by the data utilization and processing concept of the digital sales service.

### **Nature of the action**

The efficient operation of the trademark system to be developed in Harghita County can only be based on the cooperation and motivation of the stakeholders in the product lines. It is important that the actors involved understand the purpose and operation of the trademark system and the expectations of consumers.

For consumers, the trademark guarantees the origin and controlled quality of the products, the trademark “covers” the individual producers and processors, so the products with the trademark strengthen or weaken the market value of the trademark in case of problems.

Producers and processors using the trademark must undertake to comply with the quality requirements and professional conditions of the trademark.

The aim of the action is to define common professional, quality requirements with the involvement of stakeholders, based on consumer needs. Furthermore, the foundation of the trademark quality assurance system.

Planned activities of the action:

- Within the action’s framework, the potato product line players and involved experts with knowledge of consumer market expectations in the frame of one workshop will present
  - The operation of the trademark system
  - The role of quality in the consumer market,
  - The operation of quality assurance systems (Global GAP<sup>4</sup>), necessary producer involvement
- Based on the workshops, a proposal is made to introduce a quality assurance system.

### **The action’s relation to policy instruments**

#### *Rural Development Strategy of Harghita County Council 2021-2030*

The action is to increase producers' incomes and support sustainable development. It directly contributes to the fulfillment of the general goal of the Rural Development Strategy of Harghita County adopted in 2021.

The trademark system helps to increase the income available locally. It supports the enforcement of higher production costs for organic and eco-farming. It supports the optimal use of environmental resources by ensuring sustainable operation.

The trademark system directly contributes to the fulfillment of the specific goal of the Strategy, to improve the quality of life in rural areas.

The action includes concrete steps to meet the objectives of the Strategy. It uses existing production traditions and culture as a resource. It ensures the dissemination of innovative solutions by informing producers. The action will help producers to meet the goals of the Strategy.

The action supports the operation of the short supply chain by ensuring that high quality products are distinguished.

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<sup>4</sup> [https://www.globalgap.org/uk\\_en/](https://www.globalgap.org/uk_en/)

## *CAP Strategy*

The National CAP Strategy Plan is based on nine specific objectives set by the union and one overarching objective:

- Economic sustainability objectives
  - Objective 1. To support the income and resilience of agricultural holdings in the European Union in order to maintain food security.
  - Objective 2. To increase market orientation and competitiveness, including by prioritizing the development and dissemination of research, technology and digitization.
  - Objective 3. To improve the position of farmers in the value chain.
- Green sustainability goals
  - Objective 4. To contribute to climate change mitigation and adaptation and to promote the use of sustainable energy.
  - Objective 5. To support sustainable development and efficient management of natural resources such as water, soil and air.
  - Objective 6. To contribute to the protection of biodiversity, the enhancement of ecosystem services and the conservation of habitats and landscapes.
- Socio-rural sustainability objectives
  - Objective 7. To make the agricultural career attractive to young farmers and to promote business development in rural areas.
  - Objective 8. To promote employment, growth, social inclusion and local development in rural areas, including biomass-based economies and sustainable forest management.
  - Objective 9. To improve the response of EU agriculture to societal food and health needs, including the sustainable production of safe,

nutritious food, food waste and animal welfare. A modernization goal that contributes to solving all challenges

– Overall objective

- Objective 10. Agricultural knowledge and innovation system: knowledge transfer, innovation and digitization. The Commission's recommendations for Romania are generally in line with Romanian agricultural and rural development policy. At the same time, their achievement will be hampered by the number of 2027 targets that the Commission will call for in our Strategic Plan, and the achievement of 2030 is realistic. In the history of the CAP, in addition to rural development support (Pillar II), it also covers direct support (Pillar I).

The action directly supports Objectives 2, 3 and 9. The action contributes to the market-oriented operation of enterprises, to the improvement of the position of producers in the value chain and to the fulfillment of social needs related to healthy eating.

### **Lessons learnt from other FRiDGE partners**

#### *Development of the regional Food Province Label of South Ostrobothnia<sup>5</sup>*

The Food Province of South Ostrobothnia has created a new brand. The Food Province trademark is now a stand-alone, working trademark that has come under the control of local players.

The experience of the project will help to further develop the Szekler Product trademark system. An important aspect is the extent to which producers can accept the quality expectations and regulations related to the trademark. Whether producers and actors in the product chain can work together to operate a common brand.

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<sup>5</sup> <https://www.interregeurope.eu/policylearning/good-practices/item/4804/development-of-the-regional-food-province-label-of-south-ostorbothnia/>

### *Agrifood Partnership of Western Macedonia<sup>6</sup>*

The Agrifood Partnership of Western Macedonia, established in Greece, jointly promotes crops grown in Western Macedonia on national and international markets. The task of the non-profit organization is, among other things, to control the quality of the produced products, to market them, to maintain contact with private and state-supported research centers, and to cooperate. The organization is supported by the Greek Chamber of Commerce, agricultural cooperatives, universities and the Municipality of Western Macedonia.

The main experience adopted for the Harghita County Action Plan is the development and implementation of a quality assurance system. Producer quality assurance is a new element required to enter the market, but it has not been applied by producers so far. Based on the Macedonian experience, the introduction of Harghita County can be simplified.

#### **Stakeholders involved**

- Harghita County Development Agency,
- Harghita County Rural Development Association,
- producers of potato products, producer organizations, cooperatives,
- food processors SMEs

#### **Timeframe**

2022 Q4 – 2023 Q3

#### **Indicative costs**

2.000 euro

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<sup>6</sup> <https://www.interregeurope.eu/policylearning/good-practices/item/4564/agrifood-partnership-of-western-macedonia/>



### **Indicative funding sources**

- Development resources of Harghita County Council

### **Output and result indicators**

- Number of workshops: 1 workshop,
- Number of participants at the workshops (15 participations/workshop),
- Number of new projects generated by collaborations (1 project).

## **ACTION 2. - Preparation of the milk product chain cooperation with the involvement of product chain actors**

### **Relevance to the project & background**

The milk product line is one of the largest and most productive product lines in Harghita County. There are currently 90,000 dairy cattle in the county, owned by 11,999 farms and producers. The majority of dairy cattle are grazed, but the number of intensively kept, fed animals is also increasing. Processing capacity has steadily increased in recent years, but most of the milk is processed directly by producers, mainly in the summer, and is used to make fresh dairy products, mainly cheese. Sales are made partly from producers through a short supply chain and partly from processors, who supply both retail chains and small shops. Most of the products are used in the county.

In order to increase the income of the product line, product development is an important aspect. The market for fresh dairy products is available at saturated prices in the retail chains. And “handicraft products” made by local producers compete with each other in the local market because these products are only available to a limited extent, so a buyer has to be found in the local market. The products, even as producers, are made in different qualities and flavors, so the real “product” is not created, only the “handicraft product” sign unifies the offer, behind which there are hundreds of types of products in each category.

An important aspect is that in the summer months, most mountain pastures do not have adequate hygiene, milk, although it has a very high enjoyment value, is used with a large number of germs due to milking technology. The use of milk requires heat treatment, which significantly impairs its quality, and heat-treated milk can be used to produce mainly commercial products with a high level of competition and a low level of disposable income.

In the case of the milk product line, an increase in the product line income cannot be significantly ensured by improving processing. The first step is to improve the production of raw materials and ensure the production of low-germ milk.

The production of Gruyère cheese in Switzerland should be mentioned as a good practice from regions with similar characteristics. The quality of Gruyère cheese begins with the production of milk, for which there is central control. More than 1,800 dairy farmers have an average of 30-50 cows on the pasture in Switzerland. The cows' milk is delivered twice a day to 154 small-scale villages, 54 alpine and 13 organic cheese producers. The said cheese producers can only be members of this organization if they have completed a 4-year training course and become cheese masters. Most cheese farms are family businesses of one or two people. Gruyère cheese is made using the same recipe in each plant and matured locally for 3 months. They are then delivered to one of the cheese banks. The quality of the cheeses arriving at the cheese banks is decided by each cheese for how long. The minimum maturation is 5 months from receipt.

After a year and a half of maturing, the consumer price of the cheese can be tripled or, in the case of good quality and marketing, quadrupled. In the market for hard, matured cheeses, Harghita County is of adequate quality

Among the initiatives that have been identified, the production of Harghita Cheese can ensure that the expected criteria are met, after improving the quality of raw material production and ensuring adequate cheese-making capacity.

### **Nature of the action**

For the players in the dairy product line, hard cheese produced under the Harghita Cheese brand can generate significant revenue and profit growth. The production of Harghita Cheese is based on the trust and cooperation of the players in the product chain. Joint product production and market entry ensure the sustainable development of producers.

Harghita Cheese is produced in several places, based on the same recipe and culture. The cheese is matured, handled and packaged in the cheese bank. As part of the campaign, a group of producers will learn about the technology of making Harghita Cheese.

The aim of the action is to build the trust and motivation needed to work together in the dairy product chain. Stakeholders in workshops

- learn about the market opportunities available through cooperation through successful examples (consumer expectations, market opportunities),
- jointly assess the obstacles (cultural, lack of professional knowledge, infrastructural),
- draw up an action plan to reduce and eliminate the obstacles to cooperation.

Based on the results of the three workshops, a dairy product line cooperation training and development program (measures, schedule) for local development plans will be developed.

### **The action's relation to policy instruments**

*Rural Development Strategy of Harghita County Council 2021-2030*

The Rural Development Strategy of Harghita County states that the improvement of the quality of life in the countryside, the increase of the local income and sustainable farming are the priority goals.

The production of Harghita Cheese increases the income of cattle starters and creates new jobs. High-quality cheese matured and sold together provides an opportunity to provide the resources needed for sustainable farming.

The action serves the cooperation of producers and the understanding of the conditions of joint cheese production. The action builds the trust needed for cooperation.

### *CAP Strategy*

The National CAP Strategy Plan is based on nine specific objectives set by the union and one overarching objective:

- Economic sustainability objectives
  - Objective 1. To support the income and resilience of agricultural holdings in the European Union in order to maintain food security.
  - Objective 2. To increase market orientation and competitiveness, including by prioritizing the development and dissemination of research, technology and digitization.
  - Objective 3. To improve the position of farmers in the value chain.
- Green sustainability goals
  - Objective 4. To contribute to climate change mitigation and adaptation and to promote the use of sustainable energy.
  - Objective 5. To support sustainable development and efficient management of natural resources such as water, soil and air.
  - Objective 6. To contribute to the protection of biodiversity, the enhancement of ecosystem services and the conservation of habitats and landscapes.
- Socio-rural sustainability objectives

- Objective 7. To make the agricultural career attractive to young farmers and to promote business development in rural areas.
  - Objective 8. To promote employment, growth, social inclusion and local development in rural areas, including biomass-based economies and sustainable forest management.
  - Objective 9. To improve the response of EU agriculture to societal food and health needs, including the sustainable production of safe, nutritious food, food waste and animal welfare. A modernization goal that contributes to solving all challenges
- Overall objective
- Objective 10. Agricultural knowledge and innovation system: knowledge transfer, innovation and digitization. The Commission's recommendations for Romania are generally in line with Romanian agricultural and rural development policy. At the same time, their achievement will be hampered by the number of 2027 targets that the Commission will call for in our Strategic Plan, and the achievement of 2030 is realistic.

In the history of the CAP, in addition to rural development support (Pillar II), it also covers direct support (Pillar I).

The action directly supports Objectives 2, 3 and 9. The action contributes to the market-oriented operation of enterprises, to the improvement of the position of producers in the value chain and to the fulfillment of social needs related to healthy eating.

## **Lessons learnt from other FRiDGE partners**

### *Trilogy of Platforms<sup>7</sup>*

An online platform has been created by the Bavarian State Ministry of Food, Agriculture and Forestry to support the finding and communication of different actors in the local food sector. The platform is free and can be used by anyone. The platform consists of three different parts:

- for the average customer
- for processors and gastronomy
- for traders, producers and community catering / canteens.

The project is a good example of supporting collaboration between product line actors by creating a common communication platform. The project mainly supports actors with a motivation to cooperate. The operation of the platform is a good basis for the planned actions in Harghita County.

### *Public-Private cooperation in the Butchers' Hall<sup>8</sup>*

East Flemish Province is known for its large number of products. The project will promote regional products through the creation of a Promotion Center (Butchers' Hall). Cooperation between public partners (Province, Economic Council and East Flanders Tourism Board, City of Ghent) and private companies (producers of regional products) is successful and continuous.

The project is a good example of public-private partnerships that can be used to develop partnerships in Harghita County.

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<sup>7</sup> <https://www.interregeurope.eu/policylearning/good-practices/item/5272/trilogy-of-platforms-sustainable-food-chains-and-development-of-the-local-food-sector/>

<sup>8</sup> [https://www.interregeurope.eu/fileadmin/user\\_upload/tx\\_tevprojects/library/file\\_1619600005.pdf](https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/file_1619600005.pdf)

### *Regional cooperatives connecting local food producers and consumers<sup>9</sup>*

The Plattelandscentrum Meetjesland has set up a cooperative based on a short supply chain, modeled on two other regions (Vlapas in the Flemish Ardennes, Smaak van Waas in Waasland). The cooperatives work independently but for the same purpose: to unite regional producers, promote their products and create a sales channel through a web store. Producers meet regularly, learn from each other

When compiling the Harghita County Development Plan, the experience of the establishment of the Cooperative and the establishment and operation of the online sales channel are important from the experience of the project. The establishment of a cooperative requires a high degree of willingness of producers to cooperate, and the project provides good input to support this.

#### **Stakeholders involved**

- Harghita County Development Agency,
- Association of Szekler Farmers' Organizations,
- commonages,
- cattle keepers, producer organizations, cooperatives,
- dairy SMEs,
- food traders,
- logistics providers.

#### **Timeframe**

2022 Q4 – 2023 Q3

#### **Indicative costs**

3.000 euro

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<sup>9</sup> <https://www.interregeurope.eu/policylearning/good-practices/item/5444/regional-cooperatives-connecting-local-food-producers-and-consumers/>

### **Indicative funding sources**

- Development resources of Harghita County Council

### **Output and result indicators**

- Number of workshops: 3 workshops,
- Number of participants at the workshops (10 participations/workshop),
- Number of new projects generated by collaborations (1 project).



## PART V – MONITORING SYSTEM

The monitoring period of the Action Plan runs from 1 August 2022 to 31 July 2023. During this period, project partners will report to the Interreg Europe Joint Secretariat on an annual basis.

Regarding the joint monitoring mechanism, it includes result indicators. It will allow project partners to measure their results according to their policy instrument tackled to be improved, and their self-defined performance indicators.

Additionally, a self-monitoring mechanism has been defined to complement and feed the joint monitoring mechanism and ensure the correct implementation of actions as foreseen, according to our organizational needs and internal structure.

The table below shows the measurable indicators for the implementation of the actions:

Action	Indicator		How	Who
	Measurement unit	Value		
1.	Number of workshops	1	record	
1.	Number of participants at the workshops	15	record	
1.	Number of new projects generated by collaborations	1	record	
2.	Number of workshops	3	record	
2.	Number of	10	record	

Action	Indicator		How	Who
	Measurement unit	Value		
	participants at the events			
2.	The number of new projects generated by the action	1	record	

## ANNEXES

### Workshops organized in connection with the preparation of an action plan

Date	Participants	Theme
2021.06.07	Harghita County Council (Fridge) Harghita County Development Agency Association of Szekler Farmers' Organizations	Initiative discussion on the action plan FRIDGE project and presentation of good practices Expectations, suggestions for compiling the action plan

Date	Participants	Theme
2021.06.22	Harghita County Council (Fridge) Harghita County Development Agency Association of Szekler Farmers' Organizations Harghita County Rural Development Association Csíki groceries Harghita County Beekeepers' Association Garden Project Harghita County Sheep Breeders Association Association of Young Farmers of Udvarhelyszék Harghita County Cattle Breeders	Identification of proposed measures Planning the content of each measure Identification of product path measures
2021.07.05	Bányász József, cheese maker	Gathering information to create a milk product path
2021.07.05	St. Benedek Study Center, Kastal László	
2021.07.06	Tatros Agricultural Cooperative for Milk Processing and Sales	
2021.07.06	Csengő Agricultural Cooperative	
2021.07.06	Bomilact Madaras Kft	

Date	Participants	Theme
2021.08.27	Harghita County Council (Fridge) Harghita County Development Agency Association of Szekler Farmers' Organizations	Presentation of the completed draft action plan Suggestions, additions
2021.12.20	Meeting of local stakeholders	Presentation of the completed draft of the Action Plan Suggestions, additions
2022.01.31	Harghita County Council (Fridge)	Online discussion on the Action Plan
2022. 03.31	Harghita County Council (Fridge) Harghita County Development Agency Harghita County Rural Development Association Association of Szekler Farmers' Organizations	Discussion on the Action Plan

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Bíró Barna Botond

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Întocmit:

Vicepreşedinte

Director general

Director executiv adjunct

Zonda Éva

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