

Description of the social enterprise – information sheet

Mezzacorona Agricultural cooperative enterprise



2600 ETTARI DI AZIENDE AGRICOLE IN TRENTINO ALTO ADIGE

1000 AGRICOLTORI IN CAMPAGNA OGNI GIORNO

OGNI VINO, UNA STORIA DA RACCONTARE.

I nostri video raccontati svelano lo spirito unico di ogni vino Mezzacorona: le sue caratteristiche, gli abbinamenti consigliati e il legame profondo con il territorio. Inquadra con lo smartphone o il tablet il QR Code presente sul retro etichetta e scoprirlo.

MEZZACORONA

A. Identification data	
1. Name of the enterprise	 MEZZACORONA Mezzacorona sca
2. Location/Address of the enterprise	Via del Teroldego 1/E, 38016 Mezzacorona (TN) - Italy
3. Website of the enterprise	www.gruppomezzacorona.it
4. Legal organisational form	Agricultural cooperative enterprise
B. Good practice of the social enterprise	
Aspects that recommend the social enterprise as a good practice in the particular sector.	Mezzacorona is one of the oldest cooperative wine cellars in Italy. It was founded 110 years ago by 20 pioneer wine farmers and, since then, it kept on growing, moving forward both innovating and accomplishing important projects, always following the common thread of the cooperative culture and values, safeguarding members' earnings, deeply rooted in the local community and territory.
C. Context:	
1. Year of Founding	1904
2. Context of start-up – problem that the enterprise was set up to solve, economic social rationale	The first group of wine farmers decided to get together in order to pool their resources, thus saving on equipment and gaining a better leverage on the market for selling their production.
3. What are the Main Activities of the entity?	Wine production, fruit and commerce.
4. Who are the Main stakeholders (i.e. members, clients, producers, etc.)?	Members, clients, producers, wine makers, wine experts, restaurants.
5. Geographic coverage with respect to:	Production is spread over 2,600 hectares of vineyards in the whole Trentino-Alto Adige region, plus in two wineries in Sicily (621 hectares near Ragusa). Some hectares are reserved also for its fruit production. Mezzacorona wines are sold all over the national territory and abroad. There are two companies that manage exports for foreign markets: Prestige Wine Imports Corp. that deals with North America, and Bavaria Wein Import for Germany, Austria and Switzerland. Mezzacorona wines are also exported in Scandinavia, UK, Western Europe and Japan.
i) to production of services and/or goods and ii) market/consumers or beneficiaries, clients, etc.	

D. Ownership Structure	
1. What is the ownership structure of the entity: i.e., does the entity have shareholders, owners/members, donors, trustees, investors, etc.?	Members have the ownership.
2. If membership, is membership open or closed? Is exclusivity required?	Membership is open to farmers, individuals or associated, who won't manage their own enterprise in competition with Mezzacorona. Financing members are admitted too.
3. Is a capital contribution required? If so, how much? Is equity capital unallocated or individualised?	Yes, capital contribution is required. Members give an amount of money that contributes to the social capital, and then as members they have the obligation to give all their farm production to Mezzacorona. If it's not the case, the member would have to provide a financial contribution. Equity capital is unallocated.
4. Describe in a few words the voting distribution (e.g. one member-one vote; proportional to equity contribution; proportional to use, etc.).	One member-one vote
5. Describe in a few words the main benefits for members or owners.	The main benefit for members is the guaranteed sale of their produce by supplying their entire production to a single enterprise (which is their coop), avoiding time consuming and expensive interaction with intermediaries. Members are held to supply all their production to the cooperative, who in turn guarantees the purchase of the whole production at a good price even in years with difficult climate conditions, therefore guaranteeing the members' yearly income. In addition the farmers can sell under the same brand, which provides for the transformation, packaging, trade and promotion of their grape production. Mezzacorona also provides machinery, technical assistance, and all the facilities necessary to process grapes and to sell the final product on a large scale, international, high quality market, which otherwise would be impossible for the individual farmers.
6. Indicate any <u>main changes</u> in ownership over the lifetime of the entity.	Constant increase in the number of members and workers.
E. Governance	
1. Describe the governance structure of the entity (board, management, committees, etc.), number of members and method of selection (appointed or elected and by whom).	Governance bodies are: Members Assembly; board members; supervisory committee. The board is made up of a minimum 9 members to a maximum of 11, plus the president. Board members are elected by the members' General Assembly by relative majority (or eventually by unanimous decision). There is also 1 executive manager who is not member of the board.

2. Is there an entity or process for oversight of the board?	Yes, there are 5 statutory auditors (3 effective and 2 deputies). Auditing functions are carried out by external auditors from the Auditing and Supervisory Department of Trentino Federation of Cooperation. Members have access to all the admin documentation and minutes.
3. Are there external independent board members?	The Statute says that there could be external board members (non-members of the cooperative), but only if the majority of the board is made up of members, or by people indicated by members.
4. Are there term limits for board members?	Board members are elected every 3 years, and a third of the board must be renewed at each term. They can be re-elected in the limits provided by the law.
5. What is the gender composition of the board?	100% men (11 out of 11)
6. Describe management and board salary/compensation policies and how they are decided/determined?	The board members have to respect a principle of equal treatment towards members. They are paid on the basis of attendance fee determined by the General members' assembly. The amount is between 0€ - 200€ per each participation in the meeting. The board can decide an extra compensation for the board members with specific tasks. The cooperative managers' salaries are calculated in accordance with the national contract foreseen by the relevant category plus a further amount agreed by the board members.
F. Profit/ benefits/ surplus distribution policies	
1. Describe briefly the distribution policies and procedures for profits / benefits / surplus	Earnings are shared among members, according to the quantity and quality of harvest supplied. Members are liable for the amount of social capital they have signed for at the acknowledgement of their membership admission.
2. Are members/owners liable for losses of entity? Describe how liability is shared.	Members are liable for losses with their capital stock. Conditions are foreseen in the coop statute and Civil Code.
G. Strategy: highlight approaches adopted to address the identified challenges	
1. Describe briefly the business strategy looking at aspects like: main products/services, market niche, market share, quality and pricing/costs and <u>main changes</u> occurred in time.	Mezzacorona's production consists of red, white and sparkling wines, 14 different vine varieties, both local and international, like Pinot Grigio, Chardonnay, Teroldego, Muller Thurgau, Marzemino, Merlot, etc. Its market niche has grown exponentially in the past years, making Mezzacorona one of Italy's most famous wine brands, as the first Italian producer of Pinot Grigio and Chardonnay. Mezzacorona also produces Rotari Trentodoc sparkling wine, one of the most famous brands worldwide.
2. Describe briefly the relation between the business strategy and the social mission of the enterprise.	Mezzacorona has a mutualistic purpose and aims to benefit the members by valorising, sustaining and increasing production of grapes and wine, and their commercialization under the same brand. This function is very important for the survival of agriculture in the mountain areas where the land of each farmer-member doesn't exceed 1 ha and consequently has a limited production and marketing capacity.

3. Please describe briefly the strategic partners or alliances that the enterprise has.	<p>Mezzacorona has a wide network of partnerships with the most important wine promoters, its products being displayed at international events like Vinitaly in Verona and Expo 2015 in Milan. They have a close relationship with the main national agricultural institute for education, vocational training and research recognized at international level and based in San Michele all'Adige.</p> <p>Moreover, the group is particularly keen in developing links with hotels, restaurants and other tourist facilities, in Italy and abroad, as they create a great channel of promotion for its products. Guided tours of the cellars and the vineyards are organized, both for tourists and for experts.</p> <p>Mezzacorona is a member of the Trentino Federation of Cooperation and, at national level, of the Italian Association of Food&Beverage Management.</p>
4. Please describe briefly the methods and practices of communication/relationships with Stakeholders (members, community, donors, NGOs, etc.),	<p>Mezzacorona has a very detailed website in 3 languages (Italian, English and German), where people can find all the information about the group and the different grapes and wines. It has dedicated communication and awards sections, a YouTube video channel broadcasting 'wine stories', and a blog. People can also follow Mezzacorona on the main social networks (Facebook, Twitter, Instagram and Vimeo). There is an online shop for purchasing all the group's products, with a special section dedicated to restaurants. People can subscribe to a newsletter to keep informed about tastings and events in their area.</p>
5. Innovation and key performance factors	<p>Mezzacorona not only work with the national agricultural institute, but also have their own research centre investing in new technologies for avant-garde wine cultivation, grape selection, storage and environmentally friendly agricultural techniques.</p>
6. Human resources - personnel	1.600 grape grower members
H. Outcomes: results achieved and lessons learned	
<ul style="list-style-type: none"> - Assets (raw numbers) - Capital (raw numbers) - Production - Turnover /sales - Profit/loss 	<p>184.142.605€</p> <p>61.878.812€</p> <p>105.018.915€</p> <p>90.262.437€</p> <p>807.246€</p>
Contact info	
<p>Address</p> <p>Webpage</p>	<p>Via del Teroldego 1/E, 38016 Mezzacorona (TN) - Italy</p> <p>www.gruppomezzacorona.it</p>

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