



## AGRARIA RIVA DEL GARDA S.C.



### Executive Summary

The Trentino agricultural cooperation represents almost all of the agricultural production of the wine, fruit and vegetable sectors, as well as dairy. It has more than 20.000 members supplying their products for manufacturing and sale, about 90 first-level cooperatives organised in 7 consortiums, and **19.000 cultivated hectares**. Thanks to the cooperative form and to the culture of self-management, cooperative members have managed to build appropriate organisational forms to face the epochal changes of the food farming sector, and to provide members with a decent salary. Among these, there is Agraria Riva del Garda, an agriculture cooperative producing wine and oil. The strength of this cooperative lies in its ability to identify and promote assets naturally offered by the territory of Alto Garda, thus becoming the reference enterprise for the Autonomous Province of Trento within the field of olive growing, representing about 65% of Garda olive oil production.

With approximately **300 vine grower members, 1200 olive growers** (of which around 80 members), today **Agraria Riva del Garda represents an example of Trentino cooperative entrepreneurship** bound to the territory, but also with a keen eye on the international market. Over the years, it has managed to gain a positive reputation not only within Trentino, but also beyond its borders, winning international prizes for the quality and genuineness of its wines and oils: among others, the Golden Award of the New York World's Best Olive Oil, *Sol d'Oro*, the Los Angeles Extra Virgin Olive Oil, Premio Biol, Gambero Rosso, and many others.

# Section 1: Description of the case

## 1.1. CONTEXT AND HISTORY

*The aim of AgriRiva is to promote and foster agriculture within the Garda territory of Trentino*

Agraria Riva del Garda (ARG) was born in order to promote and foster agriculture within the Trentino Garda territory.

Born in 1926 as an association, AgriRiva adopted a cooperative governance model in 2000 and has progressively grown since.

The mission of ARG starts and ends in its territory, which covers Trentino Alto Garda and, going north, the municipalities of Riva del Garda, Nago-Torbole, Tenno, Arco, and Dro, as well as a part of the Ledro Valley.

It is a small paradise, a territory endowed with a well-defined identity, without external influences. It is a destination, not a crossroads, because it is located outside the roads of main communication. It is touched by the 46° parallel, protected by the Dolomites, and mitigated by its “small sea”, namely the beautiful Lake of Garda. It is like a big green garden with its hardworking “gardeners”, lovers of their land, grow grapes and olives in a clean, healthy and relaxing environment. In the aforementioned elements lie the real quality of Agraria's products.



Over the years, Agraria has been able to create a positive reputation, not only within the Trentino territory, but also beyond the region's borders, gaining **international awards** for the quality and genuineness of its wines and oils as the *Golden Award* of the competition *New York World's Best Olive Oil*, the awards *Sol d'Oro*, *Los Angeles Extra Virgin Olive Oil*, *Premio Biol*, *Gambero Rosso*, and several others. Moreover, the olive oil mill received a BIO certification (organic certification) in 2006.

Today, **Agraria Riva del Garda is an example of Trentino cooperative entrepreneurship bound to its territory:** around 300 voluntary members, 300 vineyard members and 1200 olive producers, of which 80 are members.

## 1.2. LIFE CYCLE

### i. Conditions which allowed the start-up and foundation, alongside the implementation

The very first aim of Agraria Riva del Garda was the *desire to promote Riva del Garda's agriculture*. In fact, it was set up in 1926, through a *Regio Decreto* Law, with the general function to promote and foster agriculture within the Trentino's Garda territory. Its history, however, has deeper roots: the cooperation spirit gave birth to Consorzio Agrario Distrettuale (Agrarian District Consortium) in 1882 and to Comizi Agrari (Agrarian Assemblies) even before.

### ii) Organisational design—why was the legal form chosen, why were certain governance models chosen, stakeholders, etc.;

Agraria Riva del Garda was founded in 1926 as an association, then in 2000 it turned the governance model into a cooperative enterprise in order to safeguard the shared ownership and management, and the rights of the members, whilst at the same time managing the volume of the business within an entrepreneurial model regulated by fiscal and legal laws, which are not otherwise foreseen by the association models and legislation. Its main activities were:

- Wine making – Riva del Garda winery;
- Extra-virgin olive oil production – Riva Olive Oil Mill.

### iii) Growth and expansion of the SE, focusing on the various resources (finance, voluntary, etc.) mobilized at each stage;



In 1957, besides the activity of promoting local agriculture, a winery was established, and shortly after, in 1965, an olive oil mill. In 2007, after almost a century since its birth, the cooperative left the historical headquarters of Lutti Street and moved to their new and current offices, with the desire to renew structures and machineries in order to better promote the

historical products of Alto Garda.

The new structures and modern plants have allowed a further **increase of qualitative standards**, both of the winery and of the oil mill, in addition to developing the cooperative's image and perceived value.

The new headquarters include a **shop** managed directly by the cooperative,

designed to welcome visitors, let them discover and taste the local typical delicacies: the pleasure of **wine**, the taste of **olive oil**, the flavour of **cold cuts**, **meats** and **cheeses**, the goodness of **preserves**, **honey**, **olive oil canned food**, the authenticity of local typical products.

**iv) Any crisis (small or large) moments along the way? or moments that were not a crisis but required some changes? How were these resolved/addressed?**

AgriRiva's core business clearly depends on the **weather conditions**. Over the years, there have been some difficult periods, during which the harvest has been considerably damaged by bad weather.

For example, the grape harvest in 2014 was particularly difficult for Agraria di Riva del Garda and its members: unfavourable climatic conditions (in this case, continued rain) determined a fall of 20% in the harvest compared to the year before. AgriRiva managed to deal with similar situations thanks to its members' diligence and care before and during the grape harvest period.

Within the olive growing sector, one of the biggest threats is that of **the oil flies**, which can undermine both the harvest and the oil quality. To fight against it, training meetings have been organised, in cooperation with other local specialist organisations such as the Research Institute E. Mach, in order to help make the local population aware and explain the methods to get rid of this threatening insect. In fact, it is important to contain its spreading with traps and lures, also in villages and cities in order to avoid its spread to olive stores and so to preserve one of the finest productions of the area, i.e. AgriRiva olive oil. In 2014 for example, a state of natural disaster was declared, as the olive harvest was halved due to the combination of bad weather conditions and plant diseases, also caused by the oil fly.OK

## 1.3 CORE BUSINESS MODEL

*Agraria: an economic system integrated within the Alto Garda territory*

Agraria can be seen as an integrated economic system for the development of the local territory as it offers land advice; provides for agricultural produce; works, transforms, directly trades and promotes its members' products through advertising and by providing information.

For these reasons, it is bound to the concept of a local supply chain, from the producer to the consumer, the so called "**Km zero**" products (zero food miles), i.e. those produced in the local



territory, where everyone can vouch for quality and sustainability.

*Agraria Riva del Garda* mainly operates within the fields of:

- Food production (wine, beer, olive oil);
- Food Market (fruit, vegetables, preserves, honey, meat, bakeries);

And its services address mainly:

- Farmers;
- Producers;
- Workers;
- Tourists;
- Clients.

## 1.4 INSTITUTIONAL/GOVERNANCE STRUCTURE

The cooperative is owned by its members.

At present, it has **19 employees**, **280 vineyard members** and **80 olive producer members**. Membership is open to farmers, individuals, or associations, provided that they do not own another company competitor to ARG. Sponsor members are also allowed. **Each member has the right to one vote** and contributes with an equity capital varying from 25€ to 100€.

The main governance consists of a Members' Assembly, the Board of Directors, and the Supervision Committee.

The approval of the General Assembly is done through absolute majority.

The members of the Board are elected by the General Assembly through relative majority or, if need be, by unanimity. The Board is made up of a minimum 9 members to a maximum of 11, plus the President (now Giorgio Planchenstainer).

*The main governance consists of a Members' Assembly, the Board of Directors, and the Supervision Committee*



## 1.5 EXTERNAL RELATIONS

ARG has several partnerships with local institutions and associations, among which, in particular, the Municipality of Riva del Garda, the fair and congress institution “**Riva del Garda Fierecongressi**”, and the Tourist Board “**Ingarda SPA**”.

At a regional level, ARG collaborates with **Consorzio Vita Nova Trentino Wellness** (a consortium which unites all the best Trentino Hotel & Wellness Resorts), Trentino Marketing Spa, Palazzo Roccabruna<sup>1</sup> and the Trento Chamber of Commerce, Fondazione Edmund Mach-Istituto Agrario San Michele all'Adige, Consorzio Vini del Trentino, CAVIT (**Cantina Viticoltori del Trentino** – a cooperative which unites **11 social wineries** in Trentino with 4500 partner vineyards), Federazione Trentin della Cooperazione, il Consorzio Olio DOP del Garda, AIPO association ( Interegional association of the olive oil producers), OLEA - Organizzazione Laboratorio Esperti e Assaggiatori (organisation of experts and testers), La Strada del Vino e dei Sapori del Trentino (an itinerary through the excellence products of Trentino) Club Medoliva (Arezzo fair of quality extra-virgin oil),

## 1.6 ECONOMIC DATA

### Production value from 2010 until 2014

	2010	2011	2012	2013	2014
Total	€ 8.47 mn	€ 8.52 mn	€ 8.55 mn	€ 8.57 mn	€ 8.90 mn

## 1.7 POLICY FRAMEWORK

*Agricultural cooperation holds a leader position within the transformation and trade of agricultural products.*

The Trentino agricultural cooperation represents almost the totality of agricultural production within the wine, fruit and vegetable sectors, in addition to dairy production. **More than 20,000 members give their products to the cooperative for their transformation and sale, around 90 first- grade cooperatives, organised in 7 consortiums, and 19,000 farmed hectares.** This allows the agricultural cooperation to play a leadership role within the transformation and trade of farming produce.

Thanks to the cooperative form and the culture of self-management, cooperative members have managed to build organisational structures able to face the epochal changes within the food farming sector, and to guarantee a decent income for its members. The search for quality, environmental protection in line with tourism and quality of life, the work-related growth, and the creation of strong trade brands known all over the world, have all allowed Trentino agriculture to bear the competition on the market and to

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prestigious HQ that the Trento Chamber of Commerce has dedicated to the promotion of the local territory and its products. Since September 2007 Palazzo Roccabruna is the seat of the Trentino provincial winehouse, where it is possible to enjoy a historical collection of more than 600 trentino labels which tell the history of wine within the Trentino province.

ensure the necessary income for its producer members. The *Agraria Riva del Garda*, as all other agriculture companies, benefits from European Agricultural Fund for Rural Development (EAFRD) funds granted within the Common Agricultural Policy (CAP), and from other specific regional financing in line with specific needs (research, infrastructure investments, etc)

## Section 2: Analysis of the case

### 2.1.IMPACT ANALYSISok

- **The Winery**

*Constant growth both in terms of quantity and of quality*

The high variety of Alto Garda lands gives birth to many different typologies of grape. Since 1957, when the



winery was established, the production and, therefore, also the value of the local territory have increased, both in terms of quality and of quantity. Today, the vineyard is managed by around 280 vineyard members and, with its 280 hectares, produces around **33.000 quintals of grapes per year**. The new winery was inaugurated with the 2007 grape harvest, when the most modern technologies were merged with tradition.

- **The Olive Oil Mill**

*Agraria represents about 65% of the olive oil production of Trentino's Garda and has been chosen by the Autonomous Province of Trento as reference enterprise for olive growing*

The high quality Agraria olive oil is recognised on a local, as well as international level. There are around **80 olive growers**, but the Oil Mill manages most of the production of the **1200 local olive growers** who supply the olives and give the products they do not consume to Agraria.

Agraria represents around **65% of the oil production in Trentino's Garda** and has been chosen by the Autonomous Province of Trento as the reference enterprise for olive growing.

Every year, the Oil Mill transforms 6000 to 8500 quintals of olives to produce 1200 to 1400 quintals of extra-virgin oil,



of which **150/200 quintals** are certified as **DOP Garda Trentino** and around **30 quintals** with the “**Biologico**” certificate (organic, 2009)<sup>2</sup>. Furthermore, the geographic position of the territory allows a consistent reduction of the use of pesticides and the resulting impact on the environment even if determines a minor production of olives when compared to other regions.

In 1998, the Oil Mill was the **first to produce DOP Garda Trentino extra virgin olive oil**, one of the first DOPs recognised in Italy.

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2 DOP: Protected Denomination of Origin.



## 2.2. LOOKING TOWARDS THE FUTURE

### Strengths:

Due to its unique features, Agririva's extra-virgin olive oil has gained some of the most important national and international rewards. This strength results from several factors: firstly, the **combination between an alpine and a mediterranean micro-climates**, which also naturally protects olives from the main adversities; secondly, the **ability of olive growers**, due to knowledges handed down from one generation to another, combined with always more refined farming methods; finally, the preference of a **traditional mainly manual olive harvest**, followed by the olive oil extraction process and conservation by means of modern techniques.

### Opportunities:

Individuate new market opportunities. This year, on the European level, Agririva has been chosen as the vehicle of experimental tests to spot possible new use of olive waste-liquids. Indeed, this year, Agraria's olive waste-liquids – particularly those resulting from the olive squeezing out process – have been stocked (after a filtration by means of avantgarde instruments) in capacious silos in order to test the possible use of the liquids within the food and pharmaceutical fields. In fact, the liquids present a precious concentration of polyphenols.

### Threats/Weaknesses:

Today, agriculture has won back a central role within the world economic context: for the first time after many years, demand exceeds supply. The epochal change is caused by an increase in incomes, which leads to a higher consumption of animal proteins. This, in turn, determines the need to increase the agricultural production destined to breeding farms, therefore the risk to reduce the area available for other types of farming, to the detriment of high quality typical regional production, such as olive oil from Garda Lake.

The issue of sustainability becomes of paramount importance, because natural resources are running out. It is central to work on organisation, in order to create a system able to defend the product and exalt it for its uniqueness, always with an eye to Europe and to the Common Agricultural Policy (CAP). The cooperative therefore has to focus and invest more on quality and typicality over price as a way of competing.

## ADDITIONAL MATERIALS

None

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