

# Small and Mobile Food Processing and Slaughter Houses

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<b>PU</b>	<b>Public</b>	
<b>PP</b>	<b>Restricted to other programme participants</b>	
<b>RE</b>	<b>Restricted to a group specified by the consortium</b>	
<b>CO</b>	<b>Confidential, only for members of the consortium</b>	

**1. Title of the case description**

mobile food processing and slaughter house

**2. Indicate your role in the Smart Food Supply Chain:**

individual member of the chain:

chain operator:

network operator:

association: X

technical, scientific, or management expert:

advisor:

policy maker:

other: .....

**3. Indicate the region (if applicable):** France and Croatia

#### 4. WP2 Cross-reference table

Please indicate with an X in the relevant box of the matrix for which needs and the steps / functions of the supply chain the described innovative solution is applicable

		Individual steps of the SFSC							Short food supply chain as whole						
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
Needs of the consumers (citizens)	food safety														
	food quality														
	trust														
	ethical aspects														
	accessibility														
Needs of the chain actors	fair price														
	increased negotiating power														
	shared use of available resources														
	product development support														
	access to markets and consumers														
	access to infrastructure														

- 1: Farming**
- 2: Primary production**
- 3: Transport**
- 4: Processing and packaging**
- 5: Storage**
- 6: Logistics**
- 7: Sale**
- 8: Product integrity, authenticity, transparency**
- 9: Marketing concepts**
- 10: Food chain management and networking for enhancing cooperation among chain actors**
- 11: Business modelling**
- 12: Policy environment**
- 13: Legal requirements**
- 14: Labelling**

## 5. Short description of the innovative solution

- **Describe the specific need or problem being addressed by the case and please explain what is the novelty of this innovative solution**

A business (in our case agricultural) activity is not sustainable, ultimately does not provide a proper living if its operational costs are larger than its predictable income. Proper living depends to not only the volume of the income but to a large extend, especially in the case of small-scale production, on the volume of the operational costs, taxes, government support and social security contributions. In many cases, the costs are too high since small individual farmer have to comply with such hygiene, environmental, etc. standards as large scale farmers together with the obligation in financing plant establishment (v. industrial level) infrastructure and investment that small volumes do not allow.

- **Describe the enabling function(s) and the practical benefit(s)-(e.g. for which types of problems and opportunities is used and can it be used, and how)**

This is an mentioned problem is the lack of differentiated regulation for small, medium and large producers, small and large food processors and rural service providers from large scale industry regulation. There is no small processing plant regulation both in the primary and processed production (small bakery, small butchery, jam production, artisan cheese makers, etc.), which could operate under regulation (hygiene, administration, professional qualification, infrastructure, environmental protection, taxation, etc.) tailored to its size and economic potential. The lack of such regulation substantially affects food producers in social economy.

Within the notion of access to market, the definition of food processing intermediaries has been identified as a particularly important issue. It is often unclear and authorities manage it also unclearly whether processing can be interpreted as an intermediate actor or as a single service. The French processing point collectively managed by farmers, which provides services to the member farmers, thus farmer may sell that processed product as his own processed product. In such case it is not necessary to have high cots investment and comply with required professional qualification on individual level. The collective processing point will remain in small processing plant category from hygienic standards and this allows a flexible small scale farming production based on local resources in cooperation of more farmers.

- **Describe the method/procedure/technology/solution implemented. (Please explain, whether the innovative method is a product / service / process / marketing or organisational / management innovation) After completing the description, please indicate, whether this innovation is a technological or non-technological one.**

Croatian law applies and uses the term of small capacity slaughter-houses and food processing units. It creates a precedent and a good example for a law allowing small farmers to process and directly sell their products of animal origin. In most European countries, the greatest barrier to processing meat products lies in deficient logistic opportunities to slaughter animals. In other words, as it is costly to construct slaughter-houses, farmers may arrange for the processing of their products once these products are transported many hundred km's, making it costly or impossible for farmers to pursue their operations. Granting licence to mobile or small capacity slaughter-houses enables the creation of a number of small facilities in a geographical area, enabling more farmers to directly access markets. In Annex G.1 some details of Croatian laws relating to small slaughter-houses, small capacity slaughter facilities, small egg packaging centres and mobile slaughter-houses are provided, which may serve as good examples to follow.

**In France, meat processing and sales in farmer shops** are allowed for farmers having no room in their farm suitable for processing meat. It allows circumventing meat processing facilities and butchers where farmers and industrial meat get mixed up, and on account of resale, direct contact with the farmer is lost. Many times, the processing unit of a farmer's shop are better equipped than small farmers.

It is beneficial for producers as this way they may address consumer demands faster and easier. Each week, they may prepare the necessary quantities in view of consumer demand and weather, e.g. in summer time, when the weather is good, more meat is made for barbequing. Butchers can process animals more precisely and without having any leftover at the end, and the quality of the products are easier to control by direct connection between the parties. Joint use of assets and resources results in lower costs - as compared to having to invest to construct a processing unit for their own - however it is not necessarily cheaper than having the processing made under contract in the traditional manner, and in addition to the above, in a joint meat processing unit it is possible to process meat to the liking of the owner, in contrast to processing in industrial processing sites.

The producer is responsible for providing the raw material, to make managerial decisions, and the butcher is responsible for observing food hygiene requirements in the course of processing and for the quality of the end-product. The butcher performs daily operative organisation of processing, as s/he can have an overview of all activities, consumer demands in terms of quantity and quality, in other words, s/he places an order for the half carcasses, and s/he decides what type of meat product is to produce.

technological

non-technological X

- **Describe the business, which implemented the innovated solution (size, country, region, location, type of food)**

These Croatian provisions allow small operations, farms to process and slaughter animal product without unreasonable investment, while in France a farmer does not have to invest in a slaughter house but may sell its product as processed food (meat) with higher added value.

- **Describe the distribution channels of the product(s)**

The meat processing in farmers' shop (France) is beneficial for producers as this way they may address consumer demands faster and easier and direct sales from such facilities ensure that the goods are fresh and the distance between farmers and consumers will be less.

- **Describe what makes the innovation work.**

By the pure fact the France and Croatia recognised the need of keeping proper hygienic regulation together by allowing small farm to comply with those hygienic regulations without unreasonable investment.

- **Describe the specific prerequisites for the business related to the implementation of the method and/or related to the location, method, procedure, solution**
  - a: **List the relevant necessary resources (including the estimated cost) for the specific innovation.**  
**Please list the relevant ones only (list is annexed)**
    - access to raw materials/ ingredients, packaging materials
    - human: labour force: size, knowledge & skills (production, technical, marketing, managerial, ICT, financial, etc.)
    - technology: know-how,
    - infrastructure, equipment, facilities, information, reputation, brand, trust financial
  - b: **List the relevant necessary capabilities for the specific innovation.**  
**Please list the relevant ones only (list is annexed)**

**Shared use of available resources**

- ability to enhance and maintain cooperation among chain actors including the shared and combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management, cooperation culture;
- the level of value chain management culture;
- ability to access the consumer willingness to pay for food with reduced environmental impact

**6. Describe the results, achievements and typical failures**

Small farmers do not have to make unreasonable investments.

The problem is Croatia that many small farmers are not aware of that possibility and even authorities do not encourage this type of operation.

**7. Summarize what makes the case to a good practice for the members of the SFSCs (e.g. lessons learned)**

**8. Aspects, methods for transfer of methods for other SFSC members**

Governments should pass law for the operation of mobile processing units and enforcement authorities should be trained to support its use in practice.

**9. Recommendations for members of other SFSCs for further applications**

Governments should pass law for the operation of mobile processing units and enforcement authorities should be trained to support its use in practice.

**10. More information is available at (web), if it is relevant**

Croatian law on mobile slaughter house: Ministarstvo Poljoprivrede Pravilnik o Prodaji o mjerama prilagodbe zahtjevima propisa o hrani životinjskog podrijetla, 51/2015(1003), [https://narodne-novine.nn.hr/clanci/sluzbeni/2015\\_05\\_51\\_1003.html](https://narodne-novine.nn.hr/clanci/sluzbeni/2015_05_51_1003.html), [www.magasindeproducteurs.fr](http://www.magasindeproducteurs.fr). – French MAGPRO projet

## **Annex**

### **1. Checklist for necessary resources (tangible and non-tangible):**

- materials (access to: raw materials/ ingredients - including volume, land – including size, packaging materials)
- human: labour force: size, knowledge & skills (production, technical, marketing, managerial, ICT, financial, etc.)
- technology: patents, know-how, trademarks, copyrights, trade secrets
- infrastructure, equipment, facilities, - size, minimum volume of production/sales, IT infrastructure
- information, reputation, brand, trust
- financial\*

\*: estimated cost:

0 - 10 000 Eur  
10 001 - 50 000 Eur  
50 001 - 100 000 Eur  
100 001 - 300 000 Eur  
300 001 – 1 000 000 Eur  
1 000 000 Eur above –

- other specific necessary resources for the application of the specific innovation

## 2. Checklist for the necessary capabilities

- **food safety:**
  - basic skills to comply with the EU food safety regulations
  - ability to understand what makes the product safe (the key controls, which ensure the safety of the product – biological, chemical and physical hazards, providing the safety shelf life of perishable products)
  - food safety culture (motivation, responsibility for food safety) and basic skills for the implementation of HACCP
  
- **food quality:**
  - ability to define the target segments of consumers for SFSCs
  - ability to define the product characteristics which are (tacit) basic requirements for the target segment(s) of consumers;
  - ability to define which product attributes/levels and augmented services represent an added value for the target segments of consumers;
  - food quality culture (motivation, responsibility for food quality);
  - production experiences which help to provide the expected quality reliably, uniformly;
  - ability to provide distinguishable quality which meets the needs of the targeted consumer segment;
  - meeting (local) legal requirements, application of the labelling rules;
  - ability to access the consumer willingness to pay for specific products of SFSCs.
  
- **trust:**
  - ability to ensure product integrity, authenticity and transparent information for the consumers (including systems, tools);
  - ability to access external trust enhancers (third party certification, internal certification system, participatory guarantee systems);
  - application of the labelling rules and branding (mandatory and voluntary);
  - ability to meet third party certification requirements
  
- **ethical aspects**
  - ability to understand consumer needs for ethical behaviour related to the specific product(s) of the SFSCs;
  - culture for ethical food production and supply;
  - ability to implement necessary measures to ensure ethical food production and supply;
  - ability to access the consumer willingness to pay for products meeting ethical aspects
  
- **accessibility to consumers:**
  - ability to organize logistics efficiently and to exploit innovative solutions and distribution channels;
  - efficient, innovative sales methods;

- ability to develop and implement new business models for ensuring access of consumers to products and augmented services;
- **fair price:**
  - collecting marketing information;
  - ability to enhance and maintain cooperation among chain actors including the combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management;
  - ability to define, develop or maintain unique quality of products and augmented services;
  - ability to develop and implement new business models;
  - ability to access the consumer willingness to pay for fair price
- **increased negotiation power:**
  - collecting marketing information;
  - ability to enhance and maintain cooperation among chain actors including the combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management, cooperation culture;
  - ability to define, develop or maintain unique quality of products and augmented services;
  - ability to develop and implement new business models;
- **shared use of available resources:**
  - ability to enhance and maintain cooperation among chain actors including the shared and combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management, cooperation culture;
  - the level of value chain management culture;
  - ability to access the consumer willingness to pay for food with reduced environmental impacts

- **input for R+D:**
  - ability to monitor, research, evaluate, and understand the needs and wants of customers and consumers;
  - ability to develop new products, processes, packaging, preservation techniques, systems and access to new markets, including in other categories;
  - access to innovative technologies; distribution and marketing solutions and methods. management systems;
  - access to local input for R+D covered by other aspects
  
- **access to markets: and market success**
  - effective promotion, customer service, efficient and innovative sales methods;
  - ability to understand consumer's needs;
  - ability to organise logistics efficiently and to exploit innovative solutions and distribution channels,
  - unique value propositions;
  - ability to develop and implement new business models for ensuring access of consumers to products and augmented services, develop the market accessibility for the suppliers.
  - stock control;
  - ability to access to required raw materials within a restricted geographical area
  
- **access to infrastructure:**
  - ability to use existing own infrastructure in a focused way to serve consumer needs or to combine it with complementary infrastructures of other SFSC actors, cooperation culture;
  
- **management:**
  - to implement management systems for vision, planning, implementing), coordinating, controlling, monitoring, continuously;
  - improving; ability to motivate, authorize staff;
  
- **production, processing:**
  - management system, production experience, specific controlling, monitoring, continuously;
  - willingness to consider and ability to evaluate the adoption of TECI and NTI in the current production processes;
  - any additional specific resources necessary for the application of the specific innovation.