**2017 Traditional Funding and Export Projects Guidelines**

With the aim of promoting and building product awareness through an **increase in the volume of sale** of PDO Parmigiano Reggiano cheese in foreign markets, the Consortium Assembly has resolved to renew for year 2017 activities in support of promotional actions carried out by professionals.

1. **TRADITIONAL FUNDING**

An amount of **800.000 €** has been allocated for exclusive in-store promotion activities, that is **tasting with the presence of a hostess/cutter** and possible distribution of official promotional materials (gadgets /paper material). This resources can be used only by exporting firms in order to plan activities focused only on Parmigiano Reggiano (pairing and co-marketing activities cannot be approved) and must involve Parmigiano Reggiano cheese matured for a **minimum of 24 months** or, in any case, marked EXTRA-EXPORT.

The maximum total amount awarded to each company will be calculated, after presentation of analytical projects, by dividing the total allocated amount according to the respective market share.

Applications must be submitted by **28th February 2017**, by completing the usual 2017 TRADITIONAL FUNDINGS APPLICATION FORM.

If complete and conforming, the proposals will be examined and a written confirmation of the allocation of contributions will be sent.

If the amount of the projects submitted exceeds the allocated amount, the Consortium will define the order of priority of the projects.

The Consortium will support product tasting and promotion days using specialized, trained personnel; this may be combined with the distribution of **information material and/or official gadgets** purchased directly from authorized dealers:

 <http://www.parmigianoreggiano.com/communication/promotional_materials/default.aspx>

• Companies are required to send our Export Department a preliminary **schedule** of activities with details for each point of sale using the 2017 TRADITIONAL FUNDINGS SCHEDULE PLANNER WORKSHEET (envisaging prior updates whenever the plan changes);

• a **contact person in the retail chain** must be compulsorily indicated for audit activities, which might be carried out directly or through our local agencies.

• The contribution will be on a **lump sum basis**, calculated according to the following standard unit cost table per individual point of sale:

- cost of a promotion day without distribution of official materials: **200 €**

- cost of a promotion day with distribution of official materials: **300 €**

• non-official materials cannot be reported;

• the contribution awarded by the Consortium can cover **up to 50%** of the cost of the action actually reported;

• the contribution will be paid at cost and according to the number of days actually carried out.

As final accounting report the company must complete the 2017 TRADITIONAL FUNDING EXPENSE REPORT WORKSHEET for each project/chain, with all the supporting documents attached:

* pictures of the activities, which should show tastings and the usage of official materials if expected;
* final schedule.

**B) 2016 EXPORT PROJECTS**

Export projects presuppose the compulsory **prior and direct involvement** **of the Consortium**, which shall continue also in the effective planning and implementation of the activities, also through our local Agencies.

Proposals shall be presented and discussed with the Export Department and/or the Direction of the Consortium together with the foreign chain/importer during a scheduled meeting at the Consortium headquarters (or in other agreed place or in videoconference).

Applications must be submitted by **28th February 2017**, by completing in detail the 2017 EXPORT PROJECT APPLICATION FORM (one for each project/market).

The project contents must:

* be linked to the objective of increasing awareness of the distinctive features of Parmigiano Reggiano and promoting the product;
* foresee an objective of yearly quantity increase for each retail chain;
* call for an improvement of qualitative aspects such as the introduction of premium or long-aged product as well as an enhancement in the presentation of the product at POS.
* involve Parmigiano Reggiano cheese matured for a minimum of 24 months or, in any case, marked EXTRA-EXPORT (an exception can be made whenever the promotion includes the complete range of products or in some other specific cases).

The maximum contribution that can be paid for each single project is 150.000 €. There is no minimum investment amount. However, during the preliminary activity, the Consortium will examine the congruence between the presented investment and the foreseen activities and results.

The Consortium is allocating a first contribution among the projects received within the **28th February 2017**.

Each project shall be evaluated individually and submitted to the Executive Committee for approval and a written confirmation of the allocation of contributions will be sent.

During the year the Consortium might check the right execution of the planned activities.

We remind that companies are required to send our Export Department a preliminary **schedule** of activities with details for each point of sale using the 2017 EXPORT PROJETS SCHEDULE PLANNER WORKSHEET (envisaging prior updates whenever the plan changes) and that any materials which differs from the official ones must be pre-approved by the Consortium.

We remind also that any activity performed in conjunction with other competitor products will not be considered valid.

As final accounting report the company must complete the 2017 EXPORT PROJECT EXPENSE REPORT WORKSHEET for each project, with all the supporting documents attached: copy of all invoices and associated payment receipts, sub-invoices, audiovisual materials, pictures showing the promotions, final schedule, as well as original copy of advertisements or created materials.

**2017 ACCESS CRITERIA**

**Applications for contributions** may be sent in only by accredited exporting companies:

* who export a minimum quantity of 50 tons per year;
* who have given permission for an accounting audit to be carried out by the Auditing Company;
* Who have provided data about their export activity for 2015 and 2016 to the statistical data service of the CRPA (Animal Production Research Centre) using the 2016 EXPORT QUESTIONNAIRE;
* who have signed the 2017 PROJECT PARTICIPATION DECLARATION.

The 2016 EXPORT QUESTIONNAIREmust reach us by **31st  January 2017** so as to enable calculation of the respective market shares based on which the 2017 traditional funding budget allocation will be determined. These data may be verified by the auditing company carrying out the audit of the company/administrative offices.

Data must be sent to the attention of Claudio Montanari (e-mail: c.montanari@crpa.it; telephone: +390522436999) and for reference to the Export Department of the Consortium (e-mail: passani@parmigianoreggiano.it).

The 2017 PROJECT PARTICIPATION DECLARATION must be completed and returned duly signed together with the first project submitted for 2017.

**PROCEDURE**

All the documentation required by these guidelines, except for the export questionnaire, must be sent to the Export Department of the Consortium through the following e-mail address: passani@parmigianoreggiano.it.

All the activities must be carried out by **31st December 2017**.

**CONTRIBUTION PAYMENT**

The contribution will be paid after the final report, once the **report** has been approved by the Executive Committee.

You are reminded that:

* the percentage actually allocated may be reduced in case of failure to comply with the Guidelines, as well as with the objectives achieved or the rating obtained during 2017;
* the amount paid shall never exceed the maximum limit of the amount allocated.

**RATING**

Companies applying for 2016 contributions shall be subjected to subjective rating based on:

1. new serious nonconformities found by OCQ-PR in 2016/2017;
2. new violations sanctioned and/or reported by CFPR supervisor to official authorities and/or sanctioned by other competent national authorities (Icq, Nac, Nas, Cfs) in 2016/2017;
3. nonconformities detected through official CFPR analyses (cyclopropyl acid and isotopes);
4. deviations detected in the MANDATORY accounting audit carried out by primary auditing company appointed by the Consortium.

As regards Item 3), please note that samples taken from commercial lots (with several samples from the same lot) during ordinary supervision activities in Italy or abroad, will be tested to ensure authenticity of the product. The tests are:

* lysozyme: absent
* isotopic and mineral profile: in conformity with Parmigiano Reggiano
* cyclopropyl acids: <0.01%

Samples that are found to be nonconforming in any of these tests shall be subjected to counter testing on an additional sample, after informing and involving the company concerned; the Consortium reserves the right to evaluate possible administrative or criminal enforcement actions. If positivity is confirmed by counter tests, it will be considered as nonconformity for the purpose of "export rating".

If the rating is "negative", the contribution percentage paid by the Consortium will be cut; the cut will be applied both during the approval and reporting phase and it will take into account the total amount of the expenses effectively incurred and reported by the exporting firm.

In the event of recurrence, the portion paid by the Consortium shall be further decreased, without prejudice to the right of the Executive Committee to apply other restrictive actions in case of recurrence.

In the event of nonconformities detected after the 2017 allocation and before the payment of the contribution, the cut will be applied to the balance.