

2016 EXPORT PROJECTS

Traditional Funding and 2016 Export Projects Guidelines

With the aim of promoting and building product awareness through an increase in the volume of sale of PDO Parmigiano Reggiano in **FOREIGN MARKETS**, the Consortium Assembly has resolved to renew for year 2016 activities in support of promotional actions carried out by **EXPORTERS ACCREDITED BY THE CONSORTIUM**, allocating for this purpose the total amount of **2.500.000 €**.

This amount will be shared by:

- A) **TRADITIONAL FUNDING**: assignment of **700.000 €**
- B) **2016 EXPORT PROJECTS** assignment of **1.800.000 €**

All the projects must involve Parmigiano Reggiano cheese matured for a **minimum of 24 months** or, in any case, marked EXTRA-EXPORT.

A) TRADITIONAL FUNDING

These resources shall be used for exclusive in-store promotion activities, that is tasting with the presence of a hostess/cutter and distribution of official promotional materials (gadgets /paper material) which must be focused only on Parmigiano Reggiano.

Activities must be carried out by 31st December 2016.

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 2016**, by completing the usual **APPLICATION FORM FOR 2016 TRADITIONAL FUNDINGS**.

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.it/consorzio/promozionali_ufficiali/default.aspx

- Companies are required to send our Export department a preliminary **schedule of activities** with details for each point of sale using the **TRADITIONAL FUNDINGS SCHEDULE PLANNER WORKSHEET**;

- **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, but we suggest you to have them pre-approved anyway;
- The CONTRIBUTION awarded by the Consortium can cover a maximum of 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 TRADITIONAL FUNDING EXPENSE REPORT WORKSHEET for EACH PROJECT/CHAIN, with all the supporting documents attached:

- pictures of the activities, which should show the usage of official materials if expected,
- final schedule.

The usual FORMS are downloadable in attachment:

- APPLICATION FORM FOR 2016 TRADITIONAL FUNDINGS;
- TRADITIONAL FUNDINGS SCHEDULE PLANNER WORKSHEET;
- TRADITIONAL FUNDING EXPENSE REPORT WORKSHEET.

B) 2016 EXPORT PROJECTS

Starting from 2016, EXPORT projects presuppose the compulsory PRIOR AND DIRECT INVOLVEMENT of the **Consortium**.

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

Possible meetings can also be organized during the international fairs attended by the Consortium.

The involvement shall continue also in the effective planning and implementation of the activities, also through our local Agencies.

The projects 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.

The maximum contribution that can be paid for each single project is 150.000 €.

The Consortium is allocating a first contribution among the projects received within the 28th FEBRUARY 2016.

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.

Once the activities are completed, the company must provide a REPORT for EACH PROJECT, with all the supporting documents attached.

Once the report gets approval, the invoice to collect contribution can be indifferently issued by the Italian exporter, by the importer or directly by the involved retail chain.

2016 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 2014 and 2015 to the statistical data service of the CRPA (Animal Production Research Centre) using the 2015 EXPORT QUESTIONNAIRE;
- who have signed the 2016 PROJECT PARTICIPATION DECLARATION.

The **EXPORT QUESTIONNAIRE** must reach us by **31st January 2016** so as to enable calculation of the respective market shares based on which the 2016 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 **EXCLUSIVELY** to the attention of Claudio Montanari (e-mail: c.montanari@crpa.it; telephone: 0522/436999).

We do stress that the data supplied will be strictly confidential and processed exclusively by CRPA, who will supply to the Consortium only a summary of the cumulative data collected and the percentage ranking of exporters based on volumes.

The **2016 PROJECT PARTICIPATION DECLARATION** must be completed and returned duly signed together with the first project submitted for 2016.

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.

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 2016;
- 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 2014/2015;
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 2014/2015;
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 2016 allocation and before the payment of the contribution, the cut will be applied to the balance.